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SCRAMBLE FOR A BETTER CLASS OF BARGAIN

How to cash in with the sales

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WHO'D BE A TEACHER IN A STATE SCHOOL?

Pens of the blackboard range

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ANDREW MARSHALL'S PREDICTIONS FOR 1996

Pen is mightier than sword

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THURSDAY 28 DECEMBER 1995



Mercy mission: Members of the Shetland Coastguard rescue team land at Lerwick in Shetland with a patient suffering from hypothermia

Photograph: Graeme Storey

Billions at stake as Forte steps up takeover war

MATTHEW HORSMAN
Media Editor

The embattled hotels and restaurant group Forte yesterday pitched the City's highest profile takeover battle into frenzied confusion, unveiling a £1bn agreed sale of its Happy Eater and Little Chef restaurant chains to brewing and catering giant Whitbread.

The move, part of an increasingly desperate defence against an unwanted £3.2m bid from Granada, the television and leisure company, led City analysts to admit that the takeover battle was now too close to call.

If the restaurant deal goes through, Whitbread, already the owners of Pizza Hut, TGI and Beefeater, will become the UK's largest restaurant operator - bigger even than market leader McDonald's - when it takes on Forte's 430 Little Chef and Happy Eater outlets.

The agreement is the latest

salvo in the highly hostile and personal battle between Forte and Granada, the maker of the long-running television soap opera *Coronation Street* which is run by the cheerful but ruthless Gerry Robinson, one of the City's most respected managers.

Granada's £3.2bn bid has galvanized management at Forte, which has sold off companies worth £160m since the offer was launched, in a desperate attempt to ward off Granada's unwanted ambitions. The deal with Whitbread, which is conditional on the Granada bid lapsing, has raised the bid stakes to fever pitch.

Whitbread's late entry into the saga means that three of the UK's most influential companies, which between them own pubs, luxury hotels, restaurants, two ITV television companies and a retail chain, are now battling centre-stage in what has become one of the bitterest struggles in recent memory.

The Whitbread empire

Whitbread's outlets if the Forte deal goes ahead:
 Public houses: 2,600
 Thresher's off-licences: 1,603
 Pizza Hut: 239 (plus 100 takeaways)
 Beefeater pubs: 270
 TGI Friday restaurants: 18
 Brewster's Fayre pub restaurants: 230
 (plus 50 opening this financial year)
 Costa Coffee cafés: 41
 Little Chef and Happy Eater: 430
 Travelodge budget hotels: 127
 Welcome Break motorway services: 26
 Côte France motorway services: 55

Granada, predictably, criticised the proposed sale yesterday. Mr Robinson, Granada's Irish-born chief executive, said from Donegal: "This is certainly a brilliant deal from Whitbread's point of view, but it isn't in the best interests of [Forte] shareholders." He claimed that Granada's management could double the profits of Forte's restaurant business within two years.

Word of Forte's secret negotiations with Whitbread emerged over the Christmas holiday weekend, as Mr Robinson was spending time at his family home in Ireland. Forte Chairman Sir Rocco Forte, who was forced to rush back to London from a shoot in Yorkshire last month when Granada unveiled its initial offer, relished turning the tables on his absent adversary yesterday.

"I suspect that Mr Robinson didn't have time to finish his Christmas pudding," he said.

Mr Robinson responded: "I had plenty of time to finish," and added that the deal did not worry him. "Shareholders must now make a choice as to whether they prefer this offer or our more generous offer for the whole of Forte."

If Sir Rocco, the heir to the Rocco family's hotels and catering business, manages to pull off the Whitbread deal, he will be left with a company only two-thirds its original size but with most of its hotels business intact and with debt virtually wiped out. Sir Rocco said yesterday: "The whole point of our strategy is to get down to being a focused hotel group." Forte owns the luxury Grosvenor House in London, as well as five-star properties in Europe.

Granada accuses Forte of engaging in a firesale dumping of assets, and says the management only began to act

effectively following the unveiling of Granada's hostile bid last month.

Sir Rocco disputes this, claiming that the group had already embarked on a restructuring, and that Granada was attempting to get Forte on the cheap, just before the hotel cycle swings upward again.

If Sir Rocco's dramatic battle is expected to continue into next week, as Granada considers whether to raise its offer and Forte continues to seek buyers for non-core businesses, Forte is also expected to promise a special dividend for shareholders if they agree to dismiss the Granada bid and stick with current management.

Unless it decides to throw in the towel - unlikely, say insiders - Granada will now have to come back with a sweetener, which analysts expect will have to top £600m, to take the offer to about £3.8bn.

Pressure on Granada, page 16

Comment, page 17

after their car skidded off the road and became stuck in snow, near Mauchline, Ayrshire.

His sister, Mandy, 19, said: "He was wearing just a thin jacket and it had started snowing hard when he was trying to walk. As far as we know, he tried to find shelter, fell asleep and just died in the snow."

With 11 months' data gathered from every continent and ocean, British climate experts are confident 1995 will emerge as the hottest in the last 140 years. This adds appreciably to the growing weight of evidence that pollution is detectably altering the earth's climate.

The 10 warmest years since 1860 have been since 1982, and the top 4 places all belong to the 1990s, according to the Meteorological Office's Hadley Centre and the University of East Anglia.

But the forecasters were yesterday registering figures at the other end of the scale. In Scotland, Tulloch Bridge in the south-west Highlands was among the coldest places in the world, matching Helsinki and Stockholm at minus 20c, and colder than Moscow, with minus 18c. At minus 8c, temperatures were less extreme in the Western Isles, the Shetland Isles and parts of Aberdeen and Inverness. The areas affected by power cuts which had left some people without heat or light for four days. All but 100 of the 1,500 people still without power had been reconnected last night.

John Colquhoun, 16, froze to death while trying to walk less than three miles to his home after a car accident. He collapsed in sub-zero temperatures only a mile from the scene of the accident early on Christmas Day. He and his friend had tried to walk to their respective houses

TURN TO PAGE 3

Prisons drop plan to ease overcrowding

HEATHER MILLS
Home Affairs Correspondent

The Government is set to abandon some of its basic standards of care for prisoners as governors struggle with record numbers of inmates and shrinking budgets.

An internal Prison Service document reveals that the service is to jettison its policy on reducing cell overcrowding and is set to reduce the number of hours that inmates are allowed to spend out of cells.

Staff, probation officers and reform groups have warned of

the risk of riot as pressure on the service grows. Work, education, probation and welfare services for inmates have already been cut in many jails as governors implement cuts of more than 13 per cent in the £1.6bn prison budget over the next three years. An increasing prison population, which soared to 52,700 earlier this month, has led to inmates being "double-bunked" in single cells and locked up for prolonged periods.

Coming so soon after the prison inspectors' walk-out

highlighted squalid conditions in Holloway prison, the threat to abandon basic standards has alarmed reformers. They say jail conditions are deteriorating to levels of the late 1980s, identified by Lord Woolf as a trigger for the Strangeways riot.

The inspectors at Holloway were said last week to have been ashamed at the filth and lack of care for vulnerable prisoners - the mentally ill, the abused, foreign nationals and pregnant women - while the prison operated an "overzealous security"

"regime that included chaining women on hospital visits.

Harry Fletcher, assistant general secretary for the National Association of Probation Officers, said Lord Woolf's agenda has now been all but abandoned: "1996 looks like being one of the grimnest in penal history. What is happening at Holloway should make the Prison Service rethink its decision to drop minimum hours out of cells from 12 to eight hours and avoid doubling up as jail's key performance indicators."

Instead the Prison Service ought to use training and drug testing as indicators of a jail's performance, key recommendations of the recent Learmonth inquiry into prison security and the escape from Parkhurst.

But overcrowding and the cash crisis facing the country's 134 jails places a question mark

on many of the 127 recommendations. Officials have already decided the key proposal, to build a super-secure prison for the country's most dangerous inmates, is too costly.

Sheikh liked sale so much he bought the shop

LOUISE JURY

A tradition as British as the Queen, the Christmas turkey and the Boxing Day fox-hunting row was upheld yesterday when giant queues marked the start of the January sales.

Selfridges in London notched up £1m of sales before lunch after more than 900 people queued six-deep for the best of the bargains.

The MetroCentre in Tyne-side, Europe's biggest shopping complex, was besieged two hours before opening time and one store in Sheffield was so packed it had to ration customers in and out.

As cash registers jingled in defiance of any gloomy economic forecast, one London store-owner had more good news than most. In a remarkable echo of that advertising jingle, "It was so good I bought the company", an Arab sheikh walked into one London store and bought it.

Well, almost. According to Martin Barnett, the owner of Charlotte's soft furnishings and furniture shop at Marble Arch, a sheikh and his aides walked in on Boxing Day and made an offer.

"The sheikh spoke through an interpreter and said, 'What is your lease? You're for sale.'

I explained we weren't for sale, we were having a sale," Mr Barnett said yesterday.

But the sheikh was adamant. Mr Barnett had sold a complete set of stock to the sheikh's cousin, also a sheikh, last year. Their respective third wives discussed the purchase and the second sheikh decided he must have one too.

Mr Barnett, being a cautious man, telephoned Dubai for confirmation. The first sheikh confirmed that the second was an honourable man. Mr Barnett said a £5,000 cash down payment on the spot finally initiated the £350,000 deal agreed yesterday.

Everything about the store, a family-run business producing hand-made furniture and providing Laura Ashley-like furnishings, will now be reproduced in a shopping centre in the Arab Emirates. "He said he liked the concept," Mr Barnett said.

A boon indeed for a firm struck by misfortune before Christmas when the French strikes made deliveries of £75,000 hand-made stock impossible. But then, Mr Barnett is no stranger to weird happenings. He was the man whose Santa was last year arrested as a suspected illegal immigrant.

Sales guide, page 9

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news

Defence chiefs 'wasted £4bn this year'

CHRIS BLACKHURST
Westminster Correspondent

Official figures at the Ministry of Defence have presided over cost overruns and write-offs, "wasting" almost £4bn in the past year, according to figures released today.

These last 12 months must rank as an *annus horribilis*, even by the standards of the MoD. Promises by Michael Portillo, Secretary of State for Defence, that he would convert waste into

weapons, so far have not been met, says Labour, prompting the party to suggest that the department be renamed the "Ministry of Waste".

David Clark, Labour's defence spokesman, has compiled a report, "1995 – The Waste of a Year", detailing the MoD's financial mismanagement this year. Heading the list of horrors is the continued rise in the cost of the Eurofighter 2000 programme. The actual increase alone is now put at

£2.3bn, according to a parliamentary answer to Dr Clark.

The delays in the project are leading to huge bills elsewhere. The lives of the Tornado F3 and Jaguar aircraft are having to be extended until the Eurofighter is ready, at a cost of £104m.

The Trident submarine base at Faslane on the Clyde was described as "mismanagement on a grand scale" by the Commons Public Accounts Committee. The construction of new facilities for Trident submarines

was budgeted at £1.1bn but has cost £1.9bn – an £800m rise.

A report by the National Audit Office, the public finance watchdog, found that 23 of the MoD's 25 largest projects had a forecast total increase of £645m. The Army's £24m replacement for the Land-Rover, the R844 Army Light Vehicle, was taken out of service after a series of crashes and technical problems. Its withdrawal meant the MoD had to buy 394 vehicles from an Austrian firm to

send to the troops in Bosnia.

More than £200m was invested in developing the Tigrat long-range anti-tank missile. The MoD then decided to order a type of helicopter that did not carry the Tigrat system.

In the weeks leading up to the Defence Costs Study, when more than 18,000 people lost their jobs in military cuts, it was revealed that £280,000 had been spent refurbishing the home of Air Chief Marshal Sir Sandy Wilson. Another £205,000 was

spent on his previous residence in Germany.

Hundreds of millions of pounds has been wasted on refitting ships after the Cold War, which have now been put up for sale; the management of ministry telephone lines, the royal dockyards sell-off and disposing of the married quarters' estate were other areas which swallowed taxpayers' money. Obtaining the advice of consultants on the sale of the houses has absorbed £5m so far.

Another ministry vehicle that is lying dormant is the *Prince of Wales*, an airship bought for £2.6m for surveillance operations in Ulster. According to a parliamentary answer it was damaged at Boscombe Down in May, and cannot be repaired.

"These figures speak for themselves," said Dr Clark. "The Government has failed to tackle waste in the MoD. Its incompetent approach is doing untold damage to Britain's armed forces."

Simpler government: Ministers to report monthly

Heseltine leads new attack on red tape

JOHN RENTOUX
Political Correspondent

The Government's war against Whitehall red tape is to be "stepped up" for at least the tenth time since the last election, as it emerged yesterday that ministers are to be ordered to present a monthly report to Michael Heseltine, the Deputy Prime Minister, on any planned new regulations.

Mr Heseltine was charged by the Prime Minister with "hacking back the jungle of red tape".

in 1992, when he was President of the Board of Trade. Since then the Government's deregulation unit, for which he retains responsibility as John Major's deputy, has identified 1,000 regulations for abolition.

But right-wingers point out that the Government creates about 1,400 statutory instruments – rules which do not need parliamentary approval – every year. Hence the requirement, from 1 January, for a monthly report justifying new statutory instruments to be submitted to Mr Heseltine or his deputy, Roger Freeman, the public services minister.

Mr Heseltine's Cabinet committee on domestic policy has also ordered ministers to stop "gold-plating" European directives – when departments make regulations which are more restrictive than required to satisfy European law. Ministers are believed to have criticised draft Home Office fire regulations which were felt to go further than EU safety laws.

The renewed initiative against red tape follows a seminar earlier this month at Chevening, Kent, the Foreign Secretary's residence, reported in yesterday's *Financial Times*. The meeting is said to have identified four areas where red tape could be cut: health and safety, food hygiene, building regulations and taxpaying.

However, the Labour Party yesterday was scornful of the plan. "Declaring war on red tape is one of those things Tory ministers always do when they are in need of an applause injection," said a Labour spokesman. He pointed to recent analysis which showed that 71 per cent of the regulations now in force had been introduced since the Conservatives were elected in 1979.

The first high-profile drive against red tape was the review by the Marks & Spencer boss, Sir Derek Rayner, in 1982. Lord Young of Graffham, then a Cabinet minister, promised to create jobs by cutting regulations affecting small businesses and legislation followed.

Mr Major again promised to "simplify rules and regulations" in his 1992 election manifesto.

Since then, however, the tide has shown little sign of turning. A year later, small businesses reported a "significant" increase in red tape, with the Government and the European Commission held to be equally responsible.

The crusade also suffered a setback when the trade minister responsible, the right-winger Neil Hamilton, was forced to resign in October last year over "cash for questions" row.

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news

After three years, one month, 18 days and £1.7m, the Scott inquiry prepares to deliver its damning report

CHRIS BLACKHURST
Westminster Correspondent

The long-awaited report of the Scott inquiry into the arms-for-Iraq scandal, which could threaten the careers of some ministers and senior Whitehall officials, goes to the printers next week.

More than three years since the inquiry was set up, after the collapse of the Matrix Churchill trial in which government ministers were found to have withheld evidence helpful to the defendants' case, it is finally drawing to a close.

The report will mark a watershed in British politics, operating the Government and Whitehall to unprecedented scrutiny and is likely to dominate the political agenda for months.

It will soon be rolling off the presses at the HMSO printing plant in Berners-lane, south London. Produced in four volumes, with appendices, the mammoth document will run to 2,000 pages.

So confident is HMSO of having a best-seller on its hands that it has ordered thousands of copies. It will go on sale in HMSO's shops when the report is officially released.

That decision rests with Ian Lang, President of the Board of Trade, to whom, technically, the inquiry is reporting. He will receive an advance copy and must



Sir Nicholas Lyell, Attorney General, could be criticised for asking Ministers to sign orders withholding documents from the Matrix Churchill defendants



William Waldegrave, Chief Secretary to the Treasury, faces charges that he was involved in changing arms control guidelines without Parliament being informed



Kenneth Clarke, Chancellor of the Exchequer, signed "gagging" order and has said he would resign if criticised by report — though this is unlikely



Malcolm Rifkind, Foreign Secretary, signed Public Interest Immunity certificates, but is likely to be put in the clear by the report



Peter Lilley, Secretary of State for Social Security, signed the Public Interest Immunity certificates but is not expected to be criticised by the report



Michael Heseltine, Deputy Prime Minister, is certain to be cleared by Scott, after initially resisting Sir Nicholas Lyell's request to sign the certificates

of attacks on Sir Richard — accusing him of not understanding the way Whitehall works and needs to work, of not giving people a fair hearing, of not allowing their lawyers to cross-examine others — that it appeared the future of the Government itself was at stake. That feeling has been heightened by tough talk. The Prime Minister has intimated he may not necessarily accept the report's conclusions. Senior government sources have claimed that Mr Clarke, who once said he would resign if he was criticised by Scott, may find his resignation, if offered, was not accepted.

After all that, two ministers in the frame would be seen as a damp squib. But Scott is about much more than ministers signing gagging orders. Around 60 officials are possible targets for criticism, for not communicating with each other or for giving ministers incorrect or inaccurate information.

If that happens, and most senior ministers walk free or are criticised but turn on their own officials, the top civil servants' union, the First Division Association, promises a battle.

For the inquiry team and the Opposition — and most Tories desperate to put the whole thing behind them — Sir Richard's report cannot come soon enough.

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ELECTRIC & GAS FIRES SURROUNDS CENTRAL HEATING KITCHENS SHOWERS DISHWASHERS BBQ'S MICROWAVES ELECTRIC & GAS COOKERS



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Scott inquiry: For the record

Duration: 3 years, 1 month, 18 days (so far).

Evidence: 200,000 pages of written material.

Witnesses: 270 submitted written evidence.

82 gave oral evidence.

61 gave evidence in public, 21 in private.

Cost: £1.7m.

Staff: 13 full-time, including the judge.

Report: 4 volumes with appendices, totalling 2,000 pages plus 10,000 pages of evidence to be published later.

The key players



Sir Richard Scott, the Vice-Chancellor of the High Court Chancery Division, bicycles to work daily, wants to get back to full-time judging.



Presley Batenden QC, chief interrogator for the inquiry, wants to return to practising at the Bar. She is member of the chambers of Colin Ross Munro, which specialises in commercial law and also includes Lord Lester.

David Price, press officer to the inquiry, formerly at the Department of Health. He hopes to return to another press job in the government service. Close to retirement age.

Suicide fears for 'bullied' boy

A missing schoolboy thought to have thrown himself into the sea was the victim of bullying, his father claimed yesterday.

Eighteen-year-old Andrew Smith disappeared more than two weeks ago. His bicycle and backpack were found yesterday hidden on a cliff top alongside the Old Harry Rocks, at Swanage, Dorset.

Extensive police searches for him using divers, tracker dogs and a coastguard helicopter have drawn a blank.

The A-level student was last seen at Poole Grammar School on 11 December at 8.40am.

His father, Ken Smith, speaking from the family home in Parkstone, Poole, said: "Until we get him back here we won't know for certain but we are 99 per cent sure he has gone because of pranks and verbal abuse at school. From what we have learned since Andrew went missing it has been going on for about six months."

"Apparently a group of about

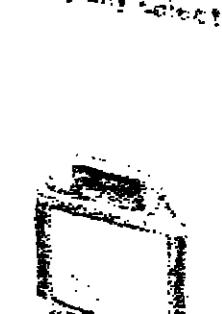
five or six so-called mates were involved. They would do things like go to a party together and thought it was then a great idea to order a taxi but leave Andrew to make his own way home from about five miles away."

"He never spoke to us about it. He was also given verbal abuse. He has been skipping school for about three weeks before he went missing."

He said he had confronted teachers but had been told Andrew could not have happened because it was not tolerated at the school.

Mr Smith, 55, said the family had not had any Christmas celebrations this year. "We haven't had a Christmas this year, it's as simple as that. We did the usual things like cook the turkey but it might as well have been beans on toast," he said.

Mr Smith and wife, Sally, 45, were due to travel to London to launch a television appeal for their son yesterday, while police were launching another search.



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news

Charter to tackle fears over care of mentally ill

The Government is to introduce special measures to combat concern about attacks on members of the public by severely disturbed psychiatric patients.

The move, disclosed yesterday by the Secretary of State for Health, Stephen Dorrell, sets tough new standards designed to make the streets safer.

The Mental Health Patient's Charter will ensure:

- Patients get help from nurses or social workers, if they need it, after discharge;
- Home visits will be available within four hours for urgent cases and within two working days for non-urgent cases;
- Patients will not be sent home if it is thought there could be the slightest risk to carers, relatives or the public;
- Tough new time limits for assessing a patient's illness aimed at reducing waiting lists;
- Information on the effects of drugs and other treatments will be available for patients;
- Patients will be allowed to wear their own clothes, have personal possessions and more privacy in hospital while receiving treatment;
- Patients can expect access to a lawyer if necessary and will be able to choose whether they want a man or woman to act as their key worker;
- Explanation of diagnosis will be made available;
- Anyone detained for 28 days or more has the right to apply to a Mental Health Tribunal and get a medical opinion from an independent doctor.

Mr Dorrell hopes the charter consultation, to be officially unveiled in the new year, will go some way to quelling public fears about schizophrenics which began in 1992 when Jonathan Zito was killed by Christopher Clunis at Finsbury Park tube station in north London. There

have been a number of other incidents and last August Gerald Malone, the health minister, warned NHS chairman to improve standards and stop patients falling through the care in the community net.

They were asked to review their services and report back to the Secretary of State. He is due to announce the outcome of the exercise shortly.

Mr Dorrell said: "When there is public comment about the mental health services, people often latch on to the phrase 'care in the community' and say this means the Government is not interested in hospital care, which isn't true."

The phrase has become misleading because it has come to imply that the only type of mental health service we are interested in delivering is one based on community health and that is not the case.

"What we are concerned to do is deliver a spectrum of care, so that someone who is acutely mentally ill has their acute needs met in a hospital; that there is care available in a sheltered setting for those who need it; that there is community care for those who need it; and crisis teams for meeting crisis need."

Mr Dorrell admitted, however, that in parts of the NHS, "we have not succeeded in delivering standards of care that we would all want to see".

Kate Harrison of the mental health charity, Mind, said patients needed more help, not a charter. "Services for people with schizophrenia are not good enough. We need more resources across a spectrum of services from decent housing and occupations to social support."

The fear is that a charter is simply more paper that won't provide what's needed."

End of an era: Heritage group in mission to revitalise former miners' institutes



Community centre: Doorman Mervyn Richards on duty at the Lewis Merthyr Working Men's Institute in Porth, Mid Glamorgan. Photographs: Rob Stratton

Symbols of pit pride running to ruin

MICHAEL PRESTAGE

The decline of the coal industry in South Wales is set to claim another victim: the miners' institutes.

Only about 50 of the original 350 or so buildings remain. The halls, now in a perilous state, once provided a centre for education and entertainment in the communities. The buildings date largely from around the turn of the century, with miners traditionally donating a penny a week of their wages for their construction and upkeep.

The Victorian Society believes efforts should be made to preserve a great tradition. Paul Brindley, of the South Wales branch, said: "The institute was a vital part of the community. In most towns and villages it was the most impressive building as



Seat of culture: The Parc and Dare theatre in Treorchy, which is run by the local council

they were largely built at the height of Victorian architecture. Without some protection more will fall into decay.

Many of the institutes have been turned into bingo halls, su-

permarkets or drinking clubs. Others have been lost through continued disrepair. Earlier this year, Nixon's Memorial Hall in Mountain Ash was gutted by a fire. A similar fate befell

the institute in Aberaman. But some do still survive and play a valuable role. One of the biggest is the Parc and Dare Institute in the Rhondda town of Treorchy. The theatre has been

fully restored and doubles as a cinema. The rooms have a variety of uses, from a dance studio to a meeting place for the local model railway society.

In the 1970s, the National Union of Mineworkers foresaw difficulties in maintaining the building and a deal was struck with the local council, which now staffs and runs it. The manager, Enid Bowen, said: "We were lucky the institute was taken over otherwise it would have suffered a similar fate to most of the others."

A spokesman for Cadw, the body charged with protecting Wales's historic buildings, said a survey was under way to identify those of special interest and give them listed status. It has already given protection to three and the case for another six is being considered.

IRA payout 'admits murder'

HEATHER MILLS
Home Affairs Correspondent

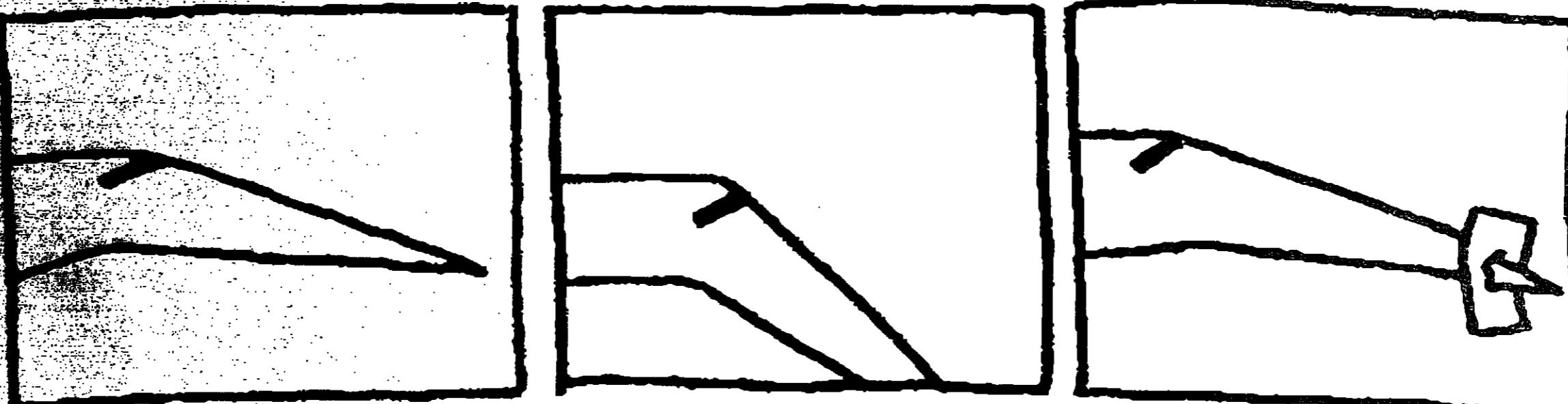
The payment of nearly £40,000 to relatives of the three IRA terrorists killed in Gibraltar is a government admission of murder, the brother of one of the trio said yesterday.

Fuelling the political row which erupted following the Government's decision to comply with a European Court order and pay the families' legal costs, Niall Farrell - brother of Mairead, who died in a hail of SAS bullets - said: "This is a clear indication that the British government now accepts the verdict of the highest human rights court in Europe, that they unlawfully killed or, in plain English, murdered our loved ones."

His words were dismissed by the Government, which emphasised that the payment was for costs only - not compensation - and that short of withdrawing recognition of the Strasbourg court, it had no choice but to pay up.

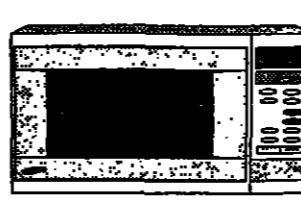
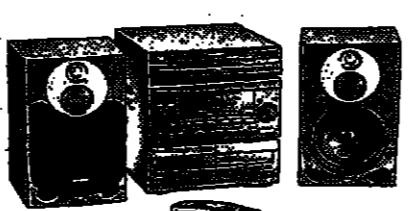
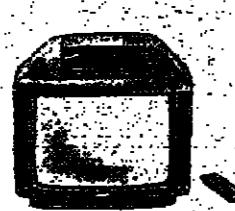
Last September, the European Court of Human Rights cleared the Government of operating a "shoot-to-kill" policy, but ruled that the 1988 gunning down of the three "unlawful". By a 10-9 majority the judges decided Farrell, Sean Savage and Daniel McCann could and should have been arrested and gave the Government three months to pay the families' £38,700 costs. The decision infuriated the Government, which said it would review its support for the European Court. Payment of costs indicates it was not prepared to risk international condemnation for withdrawing. While Euro-sceptic MPs were furious at the payout, lawyers acting for the relatives have written to the Council of Ministers of the Council of Europe - responsible for implementing the court's verdict. They said the unprecedented verdict and the British response could not be taken lightly.

Whose law is it? Page 13



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international

Policing the peace in Bosnia: French hail warring factions' decision to abandon key positions as sign that war is really over

Serbs surrender front-line posts

EMMA DALY
Sarajevo

Amid a relentless snowfall, a handful of French soldiers, accompanied by a dog and an armoured personnel carrier, walked slowly down a broad avenue scanning the shattered buildings around for signs of life. Had they stood here a few weeks ago, "we would all be dead", Major Rodolph D'Almont said cheerfully.

The street, lined with coils of razor wire set up three days ago by French troops of I-For, the UN Implementation Force, was once the front line between Bosnian government and Serb forces. The red brick spire of an Orthodox church, shrouded in scaffolding, loomed in the near distance. It was used for years as an observation post and sniping point by the Serbs, the major said. But the soldiers are gone now, withdrawn under the Dayton peace plan, which required the warring armies to pull back from around 40 designated positions around Sarajevo by midnight last night.

Elliott, a ginger mongrel, apparently of Alsatian descent, wandered the street seeking a fresh scent that would alert his handler to the return of any local troops, but found nothing.

So far, none of the combatants have tried to return. "Two nights ago we saw someone with our night-vision equipment, but it was only an unarmed soldier who had forgotten some [non-military] things," Major D'Almont said. In a square nearby, a few Bosnian civilians lobbed snowballs amid the turned earth of the vegetable gardens that helped to sustain the city through the siege.

Rough-hewn steps leading to a muddy, water-logged trench marked the lines of its defence. The French were impressed by the trench networks on both sides; this, of Bosnian construction, led from a building under the pavement, over pipelines and under cables, to

an abandoned school building. "Be careful - all the rooms facing the Serb side are booby-trapped," Major D'Almont said.

"Two basketball nets hung in the hall, decorated by a mural and graffiti of a later generation."

"The Islamic Republic of Bosnia", said one wall. "Sex Drugs Rock and Roll," said the other. The Bosnian Army sandbagged the building and cut gun-sights in the walls, knocked holes in walls and ceilings and strung telephone wires to aid communication.

"They were very good," the major said. "In four years of war you learn a lot."

A few hundred metres away, Lieutenant Magon de la Villehuchet, of the 17th Airborne Engineer Regiment, brushed the snow from a large green anti-tank mine and carefully unscrewed the three detonators. At least 18 mines were strewn across the narrow street, abandoned by Bosnian Serb soldiers for I-For to clear.

"Anti-personnel and anti-tank mines that we recognise we can disarm and take away," the lieutenant said. "But when, for example, you find rifle grenades that have not exploded, you must destroy them on the road. You can't pick them up because if you move them they might explode in your hand."

A rifle grenade lay in the snow under a piece of plastic explosive laid by the French. A wire trailing to the detonator some 30m away. A bright flash, a cloud of black smoke and, a split second later, the crack of an explosion, and a fresh crater, black and smoking, scarred the street.

Buildings on both sides of what is known as the "Airport Settlement", built depressingly close to the flight path to house workers at Sarajevo airport, are utterly destroyed. The facades blown away and the supporting walls riddled with bullet-holes and shell scars.

Women sang in praise of Zulu slaughter

ROBERT BLOCK
Port Shepstone

When 600 Zulu warriors loyal to the Inkatha Freedom Party descended on the village of Shobashobane on Christmas morning to massacre their political rivals, they brought their women to cheer the murderers and rob the victims.

"When these people started shooting, the women accompanying them were ululating and singing songs of praise," said a 15-year-old girl who survived Monday's slaughter of African National Congress (ANC) supporters on the south coast of the troubled KwaZulu-Natal province.

The girl, evacuated by police to Port Shepstone, said she was too frightened to give her name.



President Mandela: Party supporters massacred

She had seen a friend shot, and had lost an uncle who had been chopped to pieces by extremists wielding long knives.

By the time the shooting, stabbing and burning was over, at least 19 people were dead, 23 wounded, and scores more made homeless. The attackers razed 87 huts and houses and ransacked dozens more. As many as 100 people are unaccounted for.

KwaZulu-Natal has been the site of a running war between the ANC of President Nelson Mandela and the Inkatha movement of Zulu Chief Mangosuthu Buthelezi, which has killed 13,000 in a decade of tit-for-tat slaughter.

But the stories from survivors and police investigators of the attack on Shobashobane - tales of women goading men to kill while they looted homes, of children shot and stabbed without mercy - made the KwaZulu-Natal south coast

sound more like Rwanda, where, during last year's organised killing of ethnic Tutsis, Hutu women routinely encouraged their men with chants.

According to a spokesman for the KwaZulu-Natal police, Superintendent Bala Naidoo, the participation of women in political violence was uncommon, but everything about Monday's attack was extraordinary. "This is the first time we've seen an attack like this on such a large scale in broad daylight," he said. Between 600 and 1,000 men armed with guns, spears and knives hit the village in a well-orchestrated attack.

One of the first victims was the local ANC chairman, Kipha Nyawusa. He died after his stomach was slit open with "bush knives".

A teenage boy, Mzwandile Zulu, told a group of journalists how he fled the *impi*, or columns of warriors, after he was shot in the arm and the buttocks.

"I managed to get to my feet while the others were running," he said. "The *impi* was getting close to me. My arm was burning and so was my bottom."

Shobashobane was an ANC enclave in a vast pro-Inkatha area. ANC supporters fled last year because of violence and threats but returned four months ago. Since then, according to ANC officials and police, Inkatha supporters have placed the village under virtual siege, cutting it off from Ingolweni, about 20 miles inland from Port Shepstone.

Many survivors said the police were warned that an attack was imminent, but they did little except to disarm ANC members.

"It took a long, long time until the police arrived. We sat there watching our houses burn, and very, very much later we saw a police van approaching and it actually didn't do anything," the 12-year-old girl said.

Jacob Zuma, the ANC provincial leader, said yesterday that the police failed to act quickly because they were biased in favour of Inkatha.

The military precision of the attack has raised suspicions that a so-called "third-force" alliance of Inkatha extremists and right-wing security officials may be behind the recent wave of killings in the province.



Settling down: French I-For troops patrol the ceasefire line between Serbs and Muslims in the Sarajevo suburb of Dobrinja. Photograph: AFP

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NY declares war on Times Square sleaze

DAVID USBORNE
New York

An unlikely coalition of sex-shop owners and civil libertarians is about to take on New York City in a bid to block plans to sell out the peep-show soul of Times Square to Madame Tussaud's and Mickey Mouse.

The "cleansing" of Times Square of its historical association with commercial sex is behind draconian new zoning laws just passed by the city that would have such a severe impact on "adult" businesses that, of the 107 porn shops and theatres operating in Manhattan, only an estimated 19 would survive.

At the same time, New York's conservative mayor, Rudolph Giuliani, has successfully lured developers to brave the X-rated nexus of West 42nd street and 8th Avenue and transform it into a hub of family-friendly entertainment, including the owners of Madame Tussaud's and, above all, Disney.

The plan's opponents assert, however, that it is tantamount to censorship in violation of the free expression rights of the American Constitution and would wipe out part of the essence of New York's tapestry personality. They intend to file two lawsuits against the city next month.

"These people, they're demented," complains Bill Dobbs, a lawyer and a prominent gay activist. "New York is really a series of districts and I would say that if you can have a flower dis-

trict or a diamond district and a district of thieves or Wall Street, why not a district for adult uses? If you have read anything about American sailors you know that when their ships come in to New York they don't just want to look at the zipper signs, hopefully they unzip their zippers too."

Under the zoning laws, porn-businesses will not be allowed to operate within 500 feet of schools, day-care centres, houses of worship or even of each other. Unless they change what

they sell, most will be forced either to relocate in industrial areas in Manhattan or the outer boroughs or close down.

"Nothing I sell is obscene," contends one sex-shop owner who asked to remain anonymous. "But of course if I change my stock and sell violent mur-

sive, Crime in the neighbourhood has fallen 42.7 per cent in two years and property values have soared 65 per cent in a decade.

"We expect that we will prevail once we get into court," predicted Herald Price Fahringer, a high-price New York lawyer who will represent the Coalition for Free Expression which brings together all the sex-shop owners. "I think it's embarrassing for this city to have this kind of blatant censorship of what people can read and hear. But we are in a very conservative era in this country and this sort of thing, unfortunately, is typical."

Also filing suit next month will be the New York Civil Liberties Union. "A chill is settling over New York City which has a long history as a symbol of a robust commitment to free expression but where now we see creeping censorship," said its director, Norman Siegel. "We recognise that there are a lot of people who find this offensive expression but the courts recognise that this is none the less expression that has a right to be protected."

The porn emporia of Times Square, as well as the concentration of gay sex merchants in Manhattan's West Village, arguably also offer a legitimate, even important, service. "A lot of my customers come for sex education and sex therapy," the porn-owner contended. "And while their wives go shopping at Lord & Taylor up the



Manhattan transfer: New laws aim to clean up Times Square, an area long associated with sex

Photograph: AP

road and husband shop or masturbate rather than going out and getting into high-risk sex".

The battle to save the smutty and slightly dangerous heart of Times Square is already partly lost, however. The street sign at 42nd St now reads "New 42nd St" and a large banner hangs on the old Amsterdam Theatre announcing the arrival of Disney as its new owner. The blue cinemas are mostly

chain up now and only as you reach 8th Avenue do you rediscover the vulgar flashing signs of the last survivors of the porno era, like Nimble Video ("Bi, Amateur and She-Male") and the Golden Nugget.

"Look at all the different faces on people walking down 8th Avenue today," sighs Bill Dobbs. "And they want to turn them into Disney creatures, all shined up and Middle American. But this is New York".



Under attack: Porn shops will not be allowed to operate within 500 feet of schools. Photograph: Gamma

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APPEAL FOR THE CHILDREN OF BOSNIA

Could you send a better gift this Christmas?

Disinfectant, nappies, washing materials – not the first things to spring to mind when you think about buying presents this Christmas. But for mothers in Bosnia who have almost nothing left with which to care for their children, these basic essentials mean the world. And they can be found in each baby box sent with a donation in Britain to a despairing mother in Bosnia, via British charity Feed the Children.

A police in Bosnia is based in the corridors of power, a young woman who, in a short time in western Bosnia, knows what the really important issue is tonight: how to keep her shivering and vulnerable baby safe from disease and infection in appalling conditions and bring cold.

She has been living on the edge of life since October, when she first had to flee her home in Mostar. Kitchen was gone, just minutes to pack a carrier bag – and leave with 22,000 other people along five-kilometre-long road in Klavnikovac village.

She is one of 14,000 mothers in Bosnia and Croatia who have received baby boxes full of the basic essentials they need to help protect their children from the filthy conditions in which they are surviving: clean nappies and baby cream to soothe burning nappy rash, soap to wash, urine-soaked babygrows and dirty nappies, antiseptic for cuts, disinfectant for the mucky floors of their huts.

Jolie Griffin was drawn to the idea of sending a baby box to Bosnia for the same reason. "I just wanted to send some love with all the practical things in a baby box. It was that personal involvement which really appealed to me."



A message from you this Christmas would mean so much to a Bosnian mother.

Does peace in Bosnia make a difference?

In many areas of Bosnia, peace simply means that the shooting has stopped. But the problem is that whole communities have been chased from their homes, and are either too afraid to return or will find only a scorched patch of earth or bombed-out shell where their home used to be.

"There are many truly lost people," says Stewart Crozier, Deputy Director at Feed the Children. "We must ensure they are not forgotten amidst the news of the Dayton peace initiative. Their needs are tremendous, especially those of the mothers and young children. They are trying to move forward, trying to rebuild their lives."

"People in Britain can take one major worry from these mothers by giving them what they need to care for their little ones – a Feed the Children

It costs £30 to send a baby box to a Bosnian mother and baby. If you would like to send one – or more, please call 0990 600610 or complete and return the coupon below.

If you would also like to send a message to a Bosnian mother, please enclose it with your donation and Feed the Children will put it inside your baby box.

Call 0990 600610 now to tell us how many baby boxes you would like to send. OR please complete and return this form.

Please send _____ baby box(es) at £30 each on my behalf.

I enclose a cheque for £ _____ (total amount) made payable to Feed the Children.

OR Please debit £ _____ from my Visa Access Switch

Card number Expiry date

Last three digits of Switch card no. Switch issue no.

Signature

Name (cap)

Address

Postcode

Telephone

If you would like to send a message to a Bosnian mother, please send it with this form and we will put it in your baby box. Please send to:

Feed the Children, Dept.422, FREEPOST, Reading RG1 1BR.
Registered charity no. 803236.

Children in Bosnia and Croatia have suffered enough. You can help them recover.

From me to you and your child

Inside each box, packed by volunteers at Feed the Children's aid supply centre in Reading, is a message from the person who made it possible. For the exhausted, often traumatised women who receives it, it is a potent sign that somewhere, somebody is thinking of her and her efforts to protect her child.

"It's like a voice breaking through the isolation and hopelessness surrounding these mothers and children, saying 'we know how hard it is for



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international

Israel's border war: Civilians pay the price when the unwritten rules of the conflict are broken and the bombs fall on villages

Hizbollah raises stakes in Lebanon fighting

ROBERT FISK
Tyre

"My congratulations to our martyrs," Hassan Nasrallah told a memorial service for one of his Hizbollah militiamen this month. But the humanitarian worker tramping the stony foothills near Takkoush found a Hizbollah gunman far beyond congratulation. "He'd been killed by an Israeli shell and we had been told where to find him - both sides agreed we could retrieve the corpse," he said.

"He'd been dead two weeks and when we turned him over there were worms all over his face, all over his Kalashnikov. He was decaying but he was still clutching the rifle. I just put him and the rifle in a big plastic sheet together. I guess they buried him with his gun. That's the war in southern Lebanon."

Brutal, nasty and long is not a bad description of the conflict. Israel's occupying army is still assaulted daily by Hizbollah guerrillas and only now, after 5,000 Israeli shells have been fired into the lower Bekaa valley and a flurry of Hizbollah Katyushas landed in Galilee, has the usual threat of "massive military retaliation" died down. The dangers inherent in the latest battles have not gone away, for both sides broke the rules that they agreed last year to reduce the war in southern Lebanon.

It began with a long and unexplained Israeli bombardment of the southern Bekaa. In just over a month, the Israelis fired 5,000 175mm shells into the valleys, in what local UN units

the region believed was little more than target practice. "The Israelis are phasing out their 175mm artillery," one official said. "So this was an opportunity to use up old ammunition. But there are ordinary people in the lower Bekaa and if you're going to use the land they live on as target practice, you're going to get hit back."

Under the unwritten rules between Israel and Hizbollah, the conflict must be confined to military targets inside southern Lebanon. If the Israeli fire into villages and kill civilians, the Hizbollah will fire Katyushas into Israel. The Israeli bombardment fell outside the terms of the agreement since it did not specifically target villages. But the Hizbollah became worried, not least when Israeli shells fell close to the village of Bradchit.

"The Israelis were trying to push us at us by avoiding the agreement," a bearded Hizbollah factotum said in Beirut. "They tried to lay down a curtain of fire in the Bekaa to prevent our fighters getting through to attack their army, but they failed. When their shells fell near Bradchit, we believed it was time to strike back."

On 27 November, more than two dozen Katyusha rockets were fired into Galilee. A day later, Said Harb, the local Hizbollah leader in the village of Jibchit, just north of the occupation zone, stepped into his booby-trapped car and was blown to pieces. The Hizbollah blamed the Israelis and fired Katyushas across the border.

Harb's own story is a reveal-

ing one, and apparently involves the Israeli northern army commander, Amiram Levine.

For on 17 September, General Levine and Moshe Shahat, the Israeli Interior Minister, along with the Israeli army's liaison officer in southern Lebanon, Giora Inbar, were almost killed by the Hizbollah who set off a roadside bomb beside their convoy on the road between

Kleia and Marjayoun. Harb is said to have planned the attack.

"We are not impressed by Levine," said a Hizbollah man. "We know all about him - we almost got him in September; our bomb was only 30ft away from him." Witnesses say the bomb exploded 90 feet from the Israeli army commander.

"How were we supposed to react when the Israelis fired all

these shells? Only a week earlier the Israelis bombed Palestinian 'General Command' positions at Nahme, south of Beirut, but the 'GC' had not carried out any recent operations against the Israelis. This was just provocation."

According to the Israelis, the US envoy, Dennis Ross, was forced to read the not to the Syrian ambassador, Walid Mou-

alem: order the Hizbollah to stop or the Israelis will strike into Lebanon "in a devastating way".

Local security sources remain unimpressed. "The Israelis don't have the stomach for another major operation in Lebanon," one of them said. Oddly, however, the Hizbollah appear to have questioned their own response to Israeli attacks.

In his speech at the Beirut

memorial ceremony to honour Hizbollah "martyr" Neameh Hassaykayeh, Hassan Nasrallah said: "Perhaps our resistance, with 30 rockets or so, was a bit over the limit compared to other times. But the important thing was to wake up the world and this we succeeded in doing. We are told that the US was unhappy with our retaliation ... a few Jewish settlers were hurt,

some holes were made in their roofs and they had to spend all that time in their shelters. Breaks my heart! A few Katyushas fall in Israel and the whole world suffers a nervous breakdown. But what about our people in Bradchit, Haifa, Shabqa and scores of others ... don't they count?"

Mr Nasrallah had another message for his guerrillas: "Let me tell you about the trap Israel is setting up. They want our resistance to stop for six months and the Lebanese army to disarm the resistance as a prelude to withdrawal. Then they make this nonsense sound like a new peace proposal. And many, including some in this place [Lebanon], actually believe them."

In fact, Israel only offered to "talk" about withdrawal if there was a six-month ceasefire, hardly an offer that would command itself to President Hafez al-Assad of Syria whose control of Lebanon is near-total. The Hizbollah's war is painful enough for the Israeli army, and the Syrians are unlikely to worry about Israeli casualties unless Israel stages a full withdrawal from the Golan Heights.

The Israeli Prime Minister, Shimon Peres, has proclaimed a "peace revolution". But if the Israelis are still looking for partial withdrawal on Golan, Mr Assad is not going to be impressed. The war will continue and that lonely humanitarian worker is going to be wrapping many more corpses in plastic sheets, with or without the posthumous congratulations of their former leader.

Israel to free prisoners as Syria talks resume

ERIC SILVER
Jerusalem

Israel yesterday completed its withdrawal from the six West Bank cities due to be handed over to Yasser Arafat's National Authority before next month's Palestinian elections. The last and most contentious major centre, Hebron, will follow in March.

A first detachment of Palestinian police took control of Ramallah, the home town of Mr Arafat's wife, Suha. Some 18 miles north of Jerusalem, Ramallah is expected to join Gaza City as the Palestinians' interim capital, though the long-term goal is still to establish a permanent capital in Jerusalem.

Young Palestinians sped the last Israeli police out of Ramallah with a barrage of stones, firing into the air as the Star of David was lowered from the police station.

The Israeli army announced yesterday that it had completed a list of 1,000 Palestinian security prisoners (of the 5,000 it is still holding) who will be released next week. The Prime

Minister, Shimon Peres, has agreed also to a request from Mr Arafat to expand the legislative council to be elected on 20 January from 82 to 89 members. However, much Israel may deny it, the council looks more and more like the parliament of a state in the making.

An ominous sign of the kind of state it might be was given on Monday, when Palestinian police arrested the duty editor of *al-Quds*, the largest-circulation Palestinian daily paper. Maher al-Alami was taken from his Jerusalem home to the West Bank police headquarters in Jericho. His offence was to relegate to an inside page a story lauding Mr Arafat's relations with the Christian world.

Peace talks between Israel and Syria resumed outside Washington yesterday. The Israelis are looking less for an immediate breakthrough than for an indication of the kind of peace President Hafez al-Assad has in mind.

Mr Peres, who was always more optimistic and less patient than his assassinated predecessor, Yitzhak Rabin, has been encouraged by a more conciliatory tone from Damascus. "It is not peace yet," he told an audience of Israel's Arab citizens on Monday, "but the tone sets the music."

"We have never had better music than we have now."

Israel has signalled its readiness to evacuate most of the Golan Heights if occupied in 1967, but only in return for "full peace", including diplomatic relations and open borders. The army is arguing against taking the risk of coming down from the strategic plateau for anything less.

The Chief of Staff, Lieutenant General Amnon Shachar, explained to the parliamentary foreign affairs and defence committee on Monday: "When it is necessary to fight, there is great importance to territory."

"There is a big difference between launching the fight from the Hula Valley in northern Israel or from Kuneitra on the Golan." When we are talking about peace, we need to know which peace and what are its characteristics."

Leading article, page 12



Watching his flock: A shepherd leading sheep past an upturned UN vehicle in the village of Hanniyah, in southern Lebanon. Photograph: AP

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MORTGAGES

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Centrebank Mortgage Rate 7.49% per annum

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Adaptable Mortgage 7.65% per annum

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Home Loan Rate 7.49% per annum

Centrebank Mortgage Rate Plus (Variable) 7.99% per annum

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the sales

Shoppers stampede to cash in on bargains

LOUISE JURY

Sales fever gripped all of Britain not already in the grip of bad weather yesterday as the much vaunted consumer confidence comeback finally made a showing.

Stores across the country reported queues of customers, as the cold did little to deter bargain-hunters who seemed set on good value for money.

A spokeswoman for Selfridge's of London said: "This year we are seeing a more discerning customer. They are looking for better quality merchandise rather than cheap sale bargains."

About 800 customers queued six-deep for the start of the Selfridge's sale where bargains included a £1,599 Chinese wool hand-knotted rug with 75 per cent off at £399. It sold within minutes of doors opening. More than 850 pairs of designer shoes were snapped up in the first two hours while the Men's Designer Room sold 1,000 suits, 2,000 shirts, 1,000 pieces of underwear and 200 overcoats in the same period.

Lesley Edey, marketing director, said: "It's going brilliantly. We've got a lot of people going down to chin and glassware as normal, but it is menswear which is completely and utterly chaotic, with the designer brands attracting attention. British men seem to be becoming more interested in style."

Pat Phillips, 61, from Bushey, Hertfordshire, was trying to persuade her husband that three buttons instead of his normal two on a jacket would not be too radical a move. "It's frantic here," she said. "This is definitely busier than normal and people are buying. You couldn't get in the car park."

Laboratory supervisor Keith Woolley, 35, was taking all the fashion experts' advice and stocking up on essentials like good shirts. He found four before being sidetracked to the Calvin Klein and Armani ties reduced from £54.95 to £34.95.

"You feel good if you can get things with a few pounds off," he said.

Judith Strange, 29, a sales trainer from Dorking, Surrey, thought the reductions were not quite as good as in previous years, "but we're still buying them".

Elsewhere in Oxford Street, the formal decorum of Marks and Spencer and Debenhams was shattered by the shoppers' scrum.

Gurn Lal, manager of Dixons, said all departments were busy but the real bargains lay in discounts such as £150 off large-screen televisions. "Most of the money at this time of year goes on large audio and hi-fi items," he said.

At the MetroCentre, Tyne-side, Europe's biggest shopping complex, queues began more than two hours before opening time and management opened up early to let shoppers in from the cold.

In the Barker and Stonehouse store in Newcastle upon Tyne, brothers John and David Fowler bought a £2,245 sofa for £99 after waiting since Christmas Day in temperatures as low as -7C.

The Meadowhall shopping centre, in Sheffield, was "absolutely buzzing", a spokesman said. "At Next, they're letting a few people out before they let a few people in. If you look at the malls, the shopping bag factor is very high. The bargain hunters are here in their hundreds."

A spokesman for the Merry Hill shopping centre in Dudley, West Midlands, said: "This looks like the best ever start to the sales. I don't think I have ever seen so many people in the centre. A lot of the shops didn't open until 10am today but people were outside knocking on the doors at 8am."

He added: "If the retailers can convert the number of people coming to the centre into sales - which from what I've seen they are doing - then it should be a good start to the new year."



Business as usual: Selfridge's china department is always busy, but this year designer clothes saw the heaviest flow of shoppers

Photograph: Dillon Bryden



Sales floor: The excitement seems lost on younger shoppers. Photograph: Dillon Bryden

New year financial blues set to hit big spenders

At least a quarter of the population will start 1996 further in debt after funding their Christmas and new year festivities, according to a new survey.

And more than half of consumers plan to compound the cost of their pre-Christmas shopping sprees by going to the January sales, the research for consumer-credit supplier Beneficial Bank discovered.

The vast majority of people say they do not get into financial trouble after Christmas. The numbers admitting to problems are higher among 25- to 34-year-olds, people who work and live in the south, and those earning more than

£25,000 - although this may be due to their running up higher credit card bills rather than being unable to meet debts.

But Bernie Woolard, the bank's marketing controller, said that many of these people overstretched existing credit facilities such as overdrafts without meaning to - causing unnecessary additional costs.

"Many will go into debt accidentally," he said. "Consumers are not planning their finances sufficiently ahead and may well pay more than they need to."

Without forward planning, consumers may well find themselves paying off the festivities throughout 1996 and beyond.

Younger spenders, in the 25- to 34 age group, were the most worrying, he said. A third predicted they would be pushing the boat out with their credit card over Christmas and 69 per cent expected to go to the sales, but 11 per cent thought this would put them further in debt.

As a result, a quarter of those surveyed thought they would start the new year depressed.

To help tackle the new-year financial blues, Beneficial Bank is launching a service called Money Planner - a loan planning service to enable customers to consolidate credit into one monthly repayment.



Out in force: the bargain hunters. Photograph: Glynn Griffiths

SALES GUIDE: WHERE TO FIND WHAT AND WHEN

START TODAY

DEPARTMENT STORES

Fenwick Sale at the large Newcastle branch begins.

Fortnum & Mason 181 Piccadilly, London W1 (0171-734 8040) 50 per cent off Betty Jackson selected lines. Selected men's suits £245; save £250. Chateau Lynch Berger Seme Crou Pailliac £150, save £100.

John Lewis Partnership 278-306 Oxford Street, London W1 (0171-379 7711). Peter Jones, Sloane Square, and at John Lewis, Brent Cross, Barnet, Newcastle, Cheshire, High Wycombe, Aberdeen and Edinburgh. Will last 10 days. Sale starts tomorrow at all other branches.

CLOTHES

Space NK 11am start. 44 Thomas Neal's, Earls Court, London SW1 (0171-379 7030). Between 30 and 40 per cent off designer labels and accessories, including Clements Ribeiro, Future Ozeki, Alberto Biani, Soap Studio, Liza Bruce and Fenn Wright & Manson.

Crucial Trading 77 Westbourne Park Road, London W2 (0171-221 9000), and 4 St Barnes Street, Pimlico Green, London SW1 (0171-221 9000). Until 28 February, 50 per cent reduction on certain floor coverings.

Miscellaneous Crossways, Church Farmham, Surrey (01428 714014). Until 13 January. Sells deco-

rative bathroom and kitchen objects. Some massive discounts, including complete marble bathroom suites reduced from £2,500 to £800.

MISCELLANEOUS

The Putka Palace 174 Lower Bridge Road, London SE1 (0171-234 0000). Until 28 January, 20 per cent off Anglo-Indian furniture and accessories, such as leather sofa suites and solar topics.

NOW RUNNING

DEPARTMENT STORES

Debenhams Branches throughout England and Wales. 334-348 Oxford Street, London W1 (0171-580 3000). General information (0171-408 3333). Will last for about two weeks.

Fenwick 63 New Bond Street, London W1 (0171-629 9161) and stores in Brent Cross, Windsor, Leicester, York, Canterbury and Tunbridge Wells. All Bond Street, Mondi collections will be reduced by 50-50 per cent, Fenwick Wright & Manson, Betty Barclay collections by up to 50 per cent, and Weekend Collections at Brent Cross include up to 50 per cent off French Connection, Jacques Vert and Bianca, and 50 per cent off leather handbags and selected jewellery by Monet, Ciro and Napier. (Newcastle sale starts tomorrow)

HOMES & INTERIORS

Crucial Trading 77 Westbourne Park Road, London W2 (0171-221 9000). Between 30 and 40 per cent off leather handbags and selected jewellery by Monet, Ciro and Napier. (Newcastle sale starts tomorrow)

CLOTHES

Harvey Nichols 109-125 Knightsbridge, London SW1 (0171-235 5000). Will last two to three weeks. Account customers get an additional 10 per cent off the sale price for the first four

days. Specific bargains are a secret, but expect reductions to be up to 50 per cent off selected items.

House of Fraser

(England and Wales). For store sites, ring 0171-963 2236. Bargains in the cookshop include 40 per cent off Le Creuset cast-iron cookware in American green and burgundy and 50 per cent off Judge stainless steel cookware.

Liberty

Regent Street, London W1 (0171-734 1234) and branches nationwide. Join the horde sniffing out fabric bargains such as printed Armani silk down from £89.95 to £25, Liberty printed silk from £14.95 to £10 and Liberty Veruna wool from £22 to £15. Jean Paul Gaultier jewellery is half price.

Pewter-framed mirrors

are down from £59 to £29. Portuguese double bed spreads £49, save £50 and Liberty wax coats £99, save £100.

Marks & Spencer

Customer inquiries (0171-395 4422). End-of-season clearance nationwide.

Selfridges

Oxford Street, London W1 (0171-629 1234). Will last about a month. Armchair browsers can check out-sal bargain in Selfridges Selection mail order catalogue, available now (0800 101101).

Aquascutum

100 Regent Street, London SW1 (0171-734 6090). Reductions of between 50 and 75 per cent on selected items.

Women's wear: jackets £162, save £163, coats £275, save £175. Menswear: raincoats £150, save £175, blazers £195, save £100.

Austin Reed Regent Street, London W1 (0171-734 6789) and nationwide. Will last two to three weeks. Account customers can take advantage of an extra 5 per cent discount on the first three days.

Christian Lacroix

88 Sloane Street, London SW1 (0171-235 2400) and 29 Old Bond Street, London W1 (0171-409 1994). Discounts of 30 per cent.

Comme des Garçons

59 Brook Street, London W1 (0171-493 1258). Reductions of up to 40 per cent off all remaining men's and women's collections including Robes de Chambre, Comme des Garçons Tricot and Junya Watanabe.

French Connection

99 Long Acre, London WC2 and branches around the country. General inquiries (0171-250 2507). Between 30 and 50 per cent off selected stock.

Hobbs

Unit 17, The Piazza, Covent Garden, London WC2 (0171-866 9168) and branches nationwide. General customer information (0171-586 5550). Buy your party gear at prices discounted by up to 50 per cent. Strappy stilettos are reduced from £59.99 to £29.99, ballerina shoes from £28.99 to £19.99, satin cross-over dress from £64.99 to £32.99.

Joseph

77 Fulham Road, London SW3 (0171-823 9500). Reductions from 30 per cent off.

Laura Ashley

Branches nationwide. Inquiries 01686 622116. Between 20 and 50 per cent off selected items.

Pied à terre

Monsoon Inquiries 0181 601 4000. Knee-length mohair coats now £99, save £71. Evening velvet frock coat £110, save £40. Sutton Jacquard cardigans £29.27.

Racing Green

193 Regent Street, London W1 (0171-437 4300). 33 King Street, Manchester (0161-833 2022), Unit F1, Bentall Centre, Kingston-upon-Thames, Surrey (0181-546 2224). A sale catalogue can be obtained on 0345 331177. Most sports jackets are now £50, with a maximum saving of £85. All shirts in the sale are £20, save £15.

The Scotch House

2 Brompton Road, Knightsbridge, London SW1. 64 Buchanan Street, Glasgow. Inquiries on 0171-581 2507. Between 30 and 50 per cent off selected stock.

Shop

Basement, 4 Brewer Street, London W1 (0171-437 1259). Until the end of January, 30-50 per cent off Hysteric Glamour (the Japanese answer to "really cool" T-shirts). Judy Blame and Gimme 5.

SHOES

Church's Branches nationwide. Central inquiry number is 01323 649408. Some styles reduced by more than 50 per cent. Church Bellini men's shoes down from £19.99 to £9.99, ladies' lily-style high-heeled boots reduced from £120 to £60.

Jones Bootmakers

Branches throughout the country. Inquiry number is 01323 649406. Between 20 and 50 per cent off selected items.

Pied à terre

32 Neal Street, London WC2 (0171-240 8148) and branches nationwide. Reductions include court shoes reduced from £79 to £40, pumps £65 to £30 and long boots from £95 to £50.

Ravel

Only at 184-188 Oxford Street, London W1. Sale starts at other branches this weekend. Mail order and inquiries on 0171-631 0234. Up to 33 per cent off this season's boots, bags and stiletto-heeled shoes.

Red or Dead

1 & 23 Thomas Neal's, Earlham Street, London WC2 (0171-240 5576) and branches nationwide. Inquiries 0171-937 3137. Will last about a month. Selected stock reduced by 50 per cent. Sixties-style knee-length nylon boots in gold, black or rust reduced from £130 to £60.

The Scotch House

2 Brompton Road, Knightsbridge, London SW1. 84-86 Regent Street, London W1, and 64 Buchanan Street, Glasgow. Inquiries on 0171-581 2151. The sale will last at least a fortnight. Reductions of between 30 per cent on good quality cashmere and wool jumpers.

The Pier

At stores around the country. Until 21 January. Customer inquiries (0171-351 7100). Christmas merchandise is reduced to clear. Other merchandise at half price or less.

THE PIER

2 Brompton Road, Knightsbridge, London SW1. 84-86 Regent Street, London W1, and 64 Buchanan Street, Glasgow. Inquiries on 0171-581 2151. The sale will last at least a fortnight. Reductions of between 30 per cent on good quality cashmere and wool jumpers. (for example, a gold-buttoned cashmere cardigan reduced from £235 to £159).

Snow + Rock

education

Some will enter the new year with enthusiasm, others with foreboding. Three teachers talk about work and morale

Who'd be a state school teacher?

Retired, hurt, from a career that had changed beyond recognition

When Paul Lockey went into teaching in 1986, it was all he ever wanted. "I loved the job, and the kids," he says. Yet for much of this year, after retiring at 45, he has been at home recovering from stress.

Paul was originally a pop musician, playing with among other bands - The Foundations. But after marriage and a daughter, he went back to college. "I always wanted to teach," he says. "I saw it as a noble, satisfying job which helped the world." Once qualified, he got a job at Charlemont Primary School in Sandwell, "a lovely school in a nice area with a good reputation. It was heaven."

He went to work at Sam, and after the children left he would willingly stay on until 6pm. "It was as quiet as a church then, and I would sit, reflecting on that day and preparing for the next, thinking of new ways to make it fun. Paul was happy, his headteacher was happy and the wit and camaraderie of the staffroom was a daily delight.

That halcyon time lasted three years - and then the first national curriculum document landed on his desk. By now Paul was in charge of maths at Charlemont and, in a dozen staff meetings, he conscientiously planned the required changes, meanwhile taking a six-week course for maths co-ordinators.

Then he was put in charge of science, just as the national curriculum science document came through. The round of

meetings started again and he began a two-year diploma in primary science. But as Paul qualified, the Government changed the curriculum again: "My diploma was worthless. I was absolutely devastated."

New national curriculum documents - around a dozen in all - kept arriving. There were endless meetings: "I felt that even if I worked till midnight every night the work wouldn't get done."

He had lost those precious hours at the end of the day: "Invariably there would be a meeting, then it was quick! Back to the classroom. It's dark, I'm starving. I can do half an hour's preparation, take the documents home, eat to survive and then plough on. I was running on an adrenalin high."

But it wasn't the workload that bothered Paul. "I expected to give my all." It was the sense of futility that was getting him down. "I thought: everything will change and we'll have to start the whole process again."

Nightmarishly, the dreaded paperwork seemed to have taken control. And he hated the sense of being driven, of having to fit things in. Worse, he felt as if the Government was taking revenge on teachers for past strike action.

One night, after hours spent ticking thousands of little boxes (the latest attainment targets), he could no longer move his hand. "I thought if I threw it all in the bin, or made it up, no one would know - because no one ever wanted to see it."



Paul Lockey, who retired at 45 because of stress: "We spent years doing what we thought was important - yet it was all as nothing to the people in power, who just changed it."

Explained these were symptoms of stress.

Then one evening in the classroom, as he forced himself to tackle yet more paperwork, Paul was suddenly unable to stand. Palpitations and breathlessness hit him "like a bombshell". "I

thought, oh God, I'm dying of a heart attack." In fact it was the first of many panic attacks which - over a period of a year - were to make it impossible for him to carry on teaching.

As the vicious circle of illness and mounting work made it

increasingly difficult to keep up, Paul was sent on six months' sick leave for his "anxiety state". A further six months on half pay followed, and then early retirement in July of last year.

The teaching I loved had

become the job I hated," says Paul. "It was a hammer blow to me." He has started feeling better recently and is now people in power, who just changed it. I know now that I am only one of many thousands of teachers who have become ill with stress."

Simple things in the private sector made a big difference. Like having textbooks

"**Y**ou'll never get back into the state system," warned a colleague. It was a bit like telling the birdman he would never return to Alcatraz.

A parent of the public school to which I had just been appointed supplied yet more unsolicited advice. "When you get there, your feet won't touch the ground," he laughed, obviously unaware that levitation among comprehensive school teachers is something of an art form.

Armed with these warnings and 16 years' experience in state schools, I embarked on a new career in the private sector last September.

Primarily, my application was inspired by the need for a new challenge. At interview, though, I could not entirely conceal the wish to escape funding cuts, increased class sizes, government initiatives and curricular changes, on top of which loomed the imminent threat of an Ofsted inspection. I was, without doubt, selling out, but at what price?

The first few weeks were a honeymoon. Although the facilities at my new school are overwhelming, it was the simple things that made the biggest impression. Like having textbooks, for example. A room of my own was a novelty, too. Perhaps the most pleasant relief was to begin teaching at 9am without having to go through the ritual staff briefing followed by morning registration.

Registration in my comprehensive was more than just roll-calling. It involved a battle for silence while reading the bulletin; receiving or insisting upon absence notes (usually the latter); following up disciplinary issues; collecting photograph money, trip money, minibus appeal money, and promoting the car boot sale in aid of the science block roof.

Supervising the swift removal of unacceptable rings, ear-rings and nose-rings was followed by inquiries as to the dietary habits of those who insisted they were eating cereal bars for want of breakfast; by which time the class would be clambering for the door in order to sit next to their friend during the obligatory John Wayne-inspired "act of worship". Half an hour into the

day and blood pressure was already simmering ominously.

Whatever else may have been said by supposedly informed opinion, everyone knows - except, it appears, Ofsted inspectors and Education members of the Cabinet - that class size is the single most important advantage to the public school. Not simply because one can more readily deal with the individual needs of each pupil, but smaller classes mean more manageable rooms, a more intimate approach, less opportunity for distraction and a more positive teacher-pupil relationship. It also means less marking and therefore less rushed and less meaningless marking.

When I casually remarked to a colleague that I was enjoying the smaller class sizes, he retorted with: "Yes, but wait until end-of-term reports." For weeks I contemplated what kind of encyclopaedic profiling was about to be required, and was relieved to discover the report forms were exactly the same as those I had previously used. There was, however, one essential difference: I now teach 80 pupils per week. Previously I had reports to write for more than 200.

The old snowstorm of paper was unrelenting. A day or two off would mean returning to a pigeonhole tightly packed with paper. I now boast a pigeonhole empty for sometimes four consecutive days.

Paperwork is about accountability, not standards. The public school is accountable to its customers, which in many ways mitigates the need for continual self-justification.

Standards are assumed to be high unless proved otherwise. Comprehensive schools, however, from government and press perspectives, are assumed to be underachieving unless they can prove to the contrary.

The job is demanding. My new school is co-educational and non-selective. A large number of dyslexic pupils attend as well as those for whom English is a second language. In fact, given classes of 30, a budget reduction of several millions and a great deal of government intervention, it could almost be a comprehensive.

MARTIN DIMERY

I still love my job. Must there be something wrong with me?

Marion Plowright is a teacher who wholeheartedly loves teaching, has never regretted doing it or thought of leaving the profession. It is a sign of the times that this makes her somehow peculiar.

"People say, you're the only person I know who still enjoys teaching. But how many teachers have they spoken to? The implication is that if you enjoy teaching there must be something wrong with you."

Marion has been teaching for 22 years, apart from a six-year maternity break. She is now head of drama and of personal and social education at Central Lancaster High School, a town comprehensive competing locally with two opted-out grammar schools.

"There is a complete misconception that teaching here must be very difficult," she says. "But there is tremendous diversity, which makes it exciting. I work with bright, happy kids who love drama."

Some, it is true, have low aspirations and little self-confidence. "They are the ones I love teaching the most," she says, "because drama builds their confidence and opens their imaginations. You should see their faces when we do a production. They come off stage after a performance and they hug me; they cry. I think I must be one of the luckiest people."

Recently she overheard some pupils saying, "Oh, great! It's drama next," and she was delighted because she likes and respects young people. "I love the 11 to 16 age group and the froth of life they create."

She has more to cope with - divorced parents, uncertain job prospects - than her generation ever did.

"I believe in their right to education and that I can make a difference, preparing them for adult life, sparking their imaginations, encouraging self-confidence and empathy. And they devour everything I give them."

Then she is laughing and protesting in case she sounds pompous or snobbish. But she feels she is a "born teacher", so why not say so? She aims to deliver "high-quality communication and lots of praise". She tries to avoid sarcasm and to avoid misusing her power. All this and she is chosen as a second best at 20 or more teenagers at a time for some eight hours a day.

"I do get very tired," she admits. "Sometimes I wonder - can I work at this pace for the next 15 years or will it kill me?" Chronic money shortages at school add to the pressure as "free periods" (non-contact time) get swallowed up



Marion Plowright, head of drama at Central Lancaster High School: "I love the 11 to 16 age group and the froth of life they create."

covering for absent colleagues.

"We work through lunch and often after school. There is no time to draw breath or deal with admin." As for Ofsted (Office for Standards in Education) checks, despite being specially commended in a recent visit, she finds them "every bit as stressful as expected".

More than anything, it is the low status of teaching today that makes her angry. "The climate of education is now extraordinarily difficult. It's such hypocrisy to say that raising standards is important and then go teacher-bashing."

Teaching does take up "large areas" of her life. "But if you are doing something you feel is worthwhile, why should you feel bad about that?" She could do with more "unwinding time" at the end of the day, however. Sometimes when she gets home to her own children (Joseph, 13, and Laura, 16), her patience has worn thin. If they are demanding, she can snap at them: "And then I hate myself." Yet being

a teacher, she believes, has helped her to communicate as a mother, and vice versa.

Fortunately, her husband, Tony, a university lecturer, shares her passion for drama and their social life revolves

around the theatre. Last year he directed an amateur production of *The Crucible* with Marion in the role of Elizabeth Proctor. Performance is in her family. One sister, Rosalind Plowright, is an internationally famous opera singer. Another, Louise, played Julie (the hairdresser) in *EastEnders*.

"I have thought - I could do that," admits Marion, "but no more than that. Teaching for me is a positive choice."

Although teaching is negative point, Marion thinks she has to work hard to keep young people interested.

JOHN MCINTYRE

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A tale of two rulers

For many years Syria regarded itself as the redoubt of steadfastness in the Arab world and President Hafez al-Assad, its long-serving ruler, proudly deemed himself the standard-bearer of confrontation with Israel.

But President Assad has discovered that applause from the remaining Arab radicals and the grudging admiration of Islamic fundamentalists provide neither insurance for his regime nor a viable economic future for his people.

That is why he joined the Gulf war against Saddam Hussein of Iraq and then entered the American-sponsored peace negotiations that followed the allied victory of 1991. Four years ago, the Syrian leader was playing the long game for which he is renowned. Many Arabs, detesting the peace talks and regarding their fruits as scant and withered, wish he would play the game to infinity.

But President Assad, spurred on by the assassination of Yitzhak Rabin and the accession of Shimon Peres, appears to have decided that the moment is at hand for hard dealing. Syrian and Israeli envoys began talks yesterday under a cloak of discretion at a countryside retreat outside Washington. The United States hopes that these surroundings may encourage the same brutal realism as that which gave birth to the accords on the former Yugoslavia reached at Dayton, Ohio.

The chief Syrian negotiator, Walid al-Muallem, is quoted as saying that he arrives intent on defending Syria's fundamental rights. No weary reader of the official Damascus press would expect anything less. Yet President Assad seems to glimpse within his grasp the return of all the Golan Heights occupied by Israel.

a prize that has eluded him since Henry Kissinger's shuttle diplomacy more than two decades past.

There is hardly a stone on the Golan Heights unturned by the military cartographers. The protagonists know the arguments and could recite the possible dispositions of forces in their sleep. They are separated more by concepts than detail. Syria wants a mere land transaction, Israel a state of peace that will ease its harmonious accommodation into the nations and markets of the Middle East. In fact, the two are inseparable in their effect.

President Assad and Mr Peres are too wily a pair of old birds, therefore, not to appreciate how fundamental is their next move.

A word here about Mr Peres. He is depicted by the Israeli Right and by its ill-instructed editorial apologists abroad, as a man so bent on advancement in the pantheon of history that he would betray Israel's security for a quick and easy deal. Such a view neglects his lifetime dedication to the cause of Israeli military and nuclear superiority over its Arab foes. It is also ignorant of modern political reality, for the Israeli Prime Minister may only move at the measure of his cabinet.

Mr Peres has indeed said that he puts peace before his own electoral prospects in 1996. But to carry a deal returning the Golan Heights, he will need to command a broad spectrum of Israeli opinion. He deserves every ounce of support he can find.

As for President Assad, he, too, is walking with destiny, for he no longer has age, health or a smooth succession on his side. Both men must know that at stake is the most crucial political decision in the Middle East since the creation of Israel in 1948.

Backing the British boffin

Consider the word "inventor". What image does it conjure up? Possibly your picture is of a wispy-haired loon, peering over cracked bifocals and gabbling about a deranged scheme for using household sewage to feed the population of Derbyshire. The fictional Professor Branestawm might serve as your model.

But it is more likely that your mind's eye sees a stoic hero, struggling against the odds to have a revolutionary idea recognised for the brilliant innovation that it is. The inventor of the bouncing bomb, Barnes Wallis, might be the prototype. This would reflect the feeling that many Britons have long nurtured about home-grown ideas: that we have the amazing notions, but that it is left to foreigners to develop and profit from them.

This is a view endorsed by a grouping of more than 300 British inventors, the Intellectual Property Development Confederation. They believe that many bright ideas fail to be exploited commercially. Their supporters point out that only about 80 of the 4,000 patents granted each year in Britain are ever manufactured. Big companies are often highly resistant to new inventions. According to one expert, "successful innovations always start as a joke, become a threat and end as being obvious". Many fail to make it at all.

Why is this? Sometimes inventors simply do not know where to go with their ideas, who will be most interested. Even the more enlightened organisations seeking a commercial rate of return are unlikely to lend money to a lone inven-

tor. So inventors need to be put in touch with those companies most open to exploiting their ideas. Even before getting to that stage they will often need facilities to turn their ideas into prototypes.

The inventors' confederation suggests that £4m of National Lottery cash should be matched by commercial sponsorship to create a National Innovation Centre. This would employ 50 people with the skills to evaluate ideas and generate contacts, and it would run its own laboratories to help produce prototypes. It proposes that such a centre should be based in the East Midlands and linked to Nottingham Trent University.

One of the scheme's early supporters is the British inventor/businessman James Dyson. He invented and developed the bagless vacuum cleaner, was turned down by all the major electrical manufacturers, but persisted and sold it through mail-order catalogues. It was a classic good idea that nearly didn't happen. He believes that there are more Dynos out there, and that an Innovation Centre might help them to succeed.

There is, of course, a risk that money will be wasted by cerebral types on uncommercial ventures. In the absence of a financial imperative, the new centre would need to be given clear criteria to operate by, and it would have to be tough enough to say no to pleading boffins. But we should back Mr Dyson's hunch on this one. After all, a country that can afford a lottery-funded Centre of Sports Excellence really should be able to run a National Innovation Centre.

Inside every great person is a rotten novel



MILES KINGTON

Last week I heard the word "Napoleonic" being used to mean mediocre and small-scale. Now, not much about Napoleon was musing, but in this case it was, as far as I could make out, used absolutely correctly.

It turned up in an edition of Radio 3's *Night Waves*, in which there was a discussion chaired by Roy Porter on politicians who had had writing ambitions. Napoleon, said one expert, had wanted to be a writer before he ever became a soldier, and had in fact written a long Rousseau-esque work, which he had hopefully submitted to a literary competition.

Being not even as good as bad Rousseau, it had failed, and Napoleon had compensated for this by joining the army and conquering half the known world, thus leading to exile on St Helena where, as far as I know, he did not return to his ambition of churning out fiction.

The conversation ranged over other politicians who had tried their hand at writing, notably Disraeli, but then somebody brought up the fact that Winston Churchill had written at least one novel.

"What was it like?" said someone. "Oh," said the Napoleon expert, "I would say that Churchill's fiction had Napoleonic stature."

Meaning drastically bad, like Napoleon's writing. Nice one. But I was disappointed, as the discussion wore on, that nobody referred to Benito Mussolini's novel.

I have never read it. I do not know what it is called. I only know that I saw it listed in a second-hand book-seller's catalogue about four months ago, and I thought to myself at the time: "Mussolini's only novel! Should be well worth a read. I ought to get that." Which was followed by another thought: "Life is too short to read Mussolini's novels, especially when you haven't read any George Eliot yet..."

So I didn't buy it, and I haven't

read Mussolini's novel, nor indeed any Eliot. As indeed I haven't read Sarah Bernhard's only novel, which I also saw listed in a catalogue once. But I think there is the beginning of a programme here: forgettable but possibly fascinating novels by people who turned out to be much better at things like acting Hamlet with a wooden leg or invading Abyssinia. I don't know how many of these lost novels there are, how many forgotten novellas by Bismarck, General Franco or the Queen Mother, but I do know that if anyone turns this into a series, they must not leave out the only novel by Jean Harlow, the blonde bombshell.

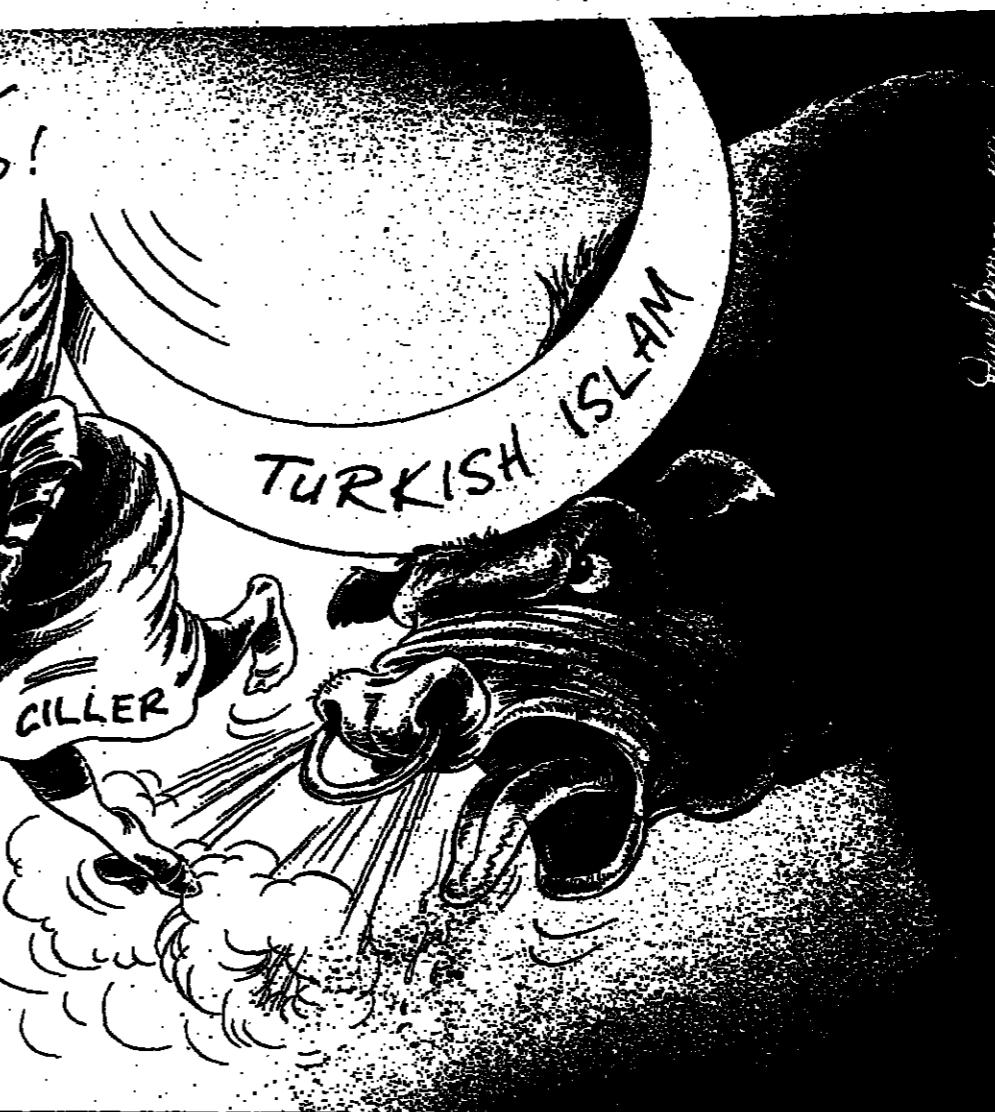
It's called *Today is Tonight* and I bought a second-hand copy of this in what seems to be the first edition, brought out posthumously in paperback by Dell in 1965. The original price was 60 cents and I got it for 15p, but it's worth a good deal more than that, as it is rather a good story about a man and his wife who go crash in 1929 and emerge from it sadder and wiser, especially as the husband has meanwhile gone blind and has to be looked after by the wife, who takes a job as a night-club

hostess to support him, but conceals this from him by making him believe that daytime is night-time... I have never met anyone who has ever read, or even seen, this novel by Jean Harlow. I did, however, once meet a man at a *Punch* lunch who worked in Hollywood in the Thirties and whose job, among other things, was to chaperone Jean Harlow to night-clubs.

"She was crazy about Art Tatum," he told me. "She couldn't listen to enough of his piano-playing. But the studio wouldn't let her go out at night alone. So I had to accompany her. Believe me, I got to hear a lot of Art Tatum."

I asked him if he knew about Jean Harlow's novel. He said he believed he had heard about it, but he had never read it. It wasn't his job to read her novels. Taking her to hear Art Tatum was bad enough, he said. I couldn't believe my ears. Taking Jean Harlow to hear Art Tatum and being paid for it would be my idea of heaven.

So, anyway, if anyone knows of any other novels unexpectedly written by celebrities, please let me know. It could make us both famous.



LETTERS TO THE EDITOR

Hidden significance of arms decommissioning

From Mr N. D. Martin-Clark

Sir: It is perhaps no surprise to anyone that talks between the various parties concerned in Northern Ireland should run into an impasse before they even begin, but it may seem odd that the stumbling block seems to be the apparently minor issue of arms decommissioning. However, as in relationships between individuals, fundamental disagreements come to a head over small things and part of their resolution lies in teasing out the significance of the apparently trivial.

In this case, the reason for IRA intransigence is that the British Government appear to be pressing not so much for its surrender as for a legal submission, a public *mea culpa* from the nationalists that will hand them the moral high ground and vindicate their own position throughout the years of the Troubles.

The handing over of weapons before a political settlement is tantamount to an admission by the IRA that they were wrong to have taken them up in the first place.

Of course, this is indeed what the British Government thinks: but it is also a telling example of the "nanny state". The British Government is treating grown men and women with whom it has political differences as misguided children who will buckle to parental authority in the end.

However, the norms of civil society as interpreted by the British are irrelevant to those who do not see themselves as British. Across the globe, bemused members of the Establishment have had to grapple

with this bizarre truth but nowhere, it seems, have they found it harder than in their own backyard.

Such patronising attitudes, while apparently benign or merely ridiculous, are as much an exercise in power as any armoured convoy, and their effects can be equally murderous. They are a facade behind which the British establishment seeks to protect itself from the painful acknowledgement of its own bloody role in the history of Ireland. It is in this respect that the British Government has shown itself to be most lacking in humanity, and its consequence can only be the breeding of inhumanity in others.

The growing complacency in this country towards the peace process serves only to encourage this approach and make ever more present the dangers of a split in the republican movement and the resumption of violence.

Yours faithfully,
N. D. MARTIN-CLARK
Crawley, West Sussex

20 December

From Professor G. L. Huxley

Sir: Speaking at Ballymena on 21 December, the Prime Minister gave his hearers to understand that "decommissioning" – that is, the unilateral handing-in of some or all of their arms by the Provisional IRA – was a part of the Downing Street Declaration. Had Messrs Adams and McGuinness or any other member of Sinn Fein agreed to such decommissioning, there could hardly have been a "peace process" and their own expectations of survival would have been diminished. The emphasis upon decommissioning on the part of British politicians came later than the Declaration, at the behest of Ulster Unionists and of elements in the security forces in Northern Ireland.

Article 10 of the Declaration states:

The British and Irish Governments reiterate that the achievement of peace must involve a permanent end to the use, or support, of paramilitary violence. They confirm that in these circumstances, democratically mandated parties which establish a commitment to exclusively peaceful methods and which have shown that they abide by the democratic process are free to join in dialogue in due course between the governments and the political parties on the way ahead.

Nothing is said, or implied, here about handing in of weapons.

A survey conducted in November 1994 revealed that there were 130,000 weapons legally held by loyalists. The numbers of illegally held weapons in possession of loyalists is not known.

The British Government has yet to explain how loyalist arms are to be decommissioned. Insistence upon decommissioning in advance of political negotiations is therefore not reasonable, and the suggestion that decommissioning was part of the Declaration is deficient in veracity.

Yours faithfully,

GEORGE HUXLEY
Trinity College
Dublin

21 September

From Mr Randhir Singh Bains

Sir: Your leading article "Divorce is the only answer for a modern age" (22 December) rightly states that the Palace has no longer attaches any stigma to divorce. Neither Prince Charles nor the Princess of Wales, however, is an ordinary member of the public; they are members of an institution that is supposed to act as an epicentre of high moral values. Members of this institution are not democratically elected, but they are still accountable to the general public for espousing and holding those high moral values.

Do we really want a man of this calibre to reign over us?

The Windsors need to be reminded that they rule not by "Divine Right" as espoused by the Stuarts, but by the will of the people and the people's will is being sorely tried.

Sincerely,

ROBERT READMAN
Sandbanks, Dorset

27 December

From Ms Nicola McLean

Sir: Presumably, since the Church of England is relieved at Prince Charles's intention not to marry again ("Church is saved from dilemma over remarriage", 22 December), it prefers instead that he should have affairs which will lead to nothing.

Yours faithfully,

NICOLA MCLEAN
London, SW1

22 December

From Mr Robert Readman

Sir: The Princess of Wales is now being pilloried for not attending Sandringham at Christmas. With a cunning worthy of Machiavelli, the Queen invites Diana for Christmas, but follows it up with the announcement that she and her husband must get divorced.

The sickening thing in this whole sorry affair is that the Prince of Wales has not once expressed sorrow for betraying his wife, nor has there been any word of condemnation from him

from the Queen or Prince Philip.

Rather, he has chosen to lay the blame for his predicament on

Ashley. Ashley was a practising homosexual, a matter of fact which (if disputed) can only ultimately be determined in a court of law.

One sympathises with Mr Ashley, because the evidence for his being a homosexual (at least on the basis of newspaper reports) seemed a little thin; but the jury decided that he was a实践家. It follows that the *Sunday Times*' allegation against David Ashley was that he was a hypocrite in speaking up for family values when he was a practicing homosexual.

Whether Mr

Readman is right or wrong

is a question that remains unanswered.

One thing is certain, though.

Our class starts again in January.

Themselves in Wansford Prison.

For our last class of the term we brought poems of our own choosing. She brought three poems from the prisoners, not special as poems perhaps, but remarkable as human witness, from men who had previously never even read a poem. To me these classes are a joy, to them a lifelong in a grim existence.

Our class starts again in January.

Themselves in Wansford Prison.

Education classes have been cut by 50 per cent – all creative classes, all arts, the basics. Who cares?

We send more and more people to prison, and spend more money on building ever more prisons at vast cost – and there we – think we – end our responsibility. But our responsibility remains towards people in prison. Education classes in prison are vital, and should not be cut. Rather let it be considered whether this huge prison population is justified.

We send more and more people to prison, and spend more money on building ever more prisons at vast cost – and there we – think we – end our responsibility. But our responsibility remains towards people in prison. Education classes in prison are vital, and should not be cut. Rather let it be considered whether this huge prison population is justified.

Yours sincerely,

JUNE WARREN

Old Isleworth, Middlesex

19 December

Post letters to Letters to the Editor, and include a daytime telephone number. (Fax: 0171-293 2056; e-mail: letters@independent.co.uk). Letters may be edited for length and clarity.



comment

Now for the year when the lull breaks

If the Lib Dems and Labour can take a risk on electoral reform, the turgid mood of 1995 will start to lift

Leafing through the cuttings, reminiscing with wine-enlightened friends, one's overwhelming impression of 1995 is of a year of frustration and blockage in politics. There has been plenty of surface flash and glitter, but little forward thrust.

The year's emblematic event was surely the summer drama of John Major's resignation. At the time it seemed to be a lapel-grabbing, vintage tale, signifying quite a bit. His great gamble would transform his own position and that of his party. But... it didn't. Rarely has such cliff-hanging theatre produced such a tedious result.

The Prime Minister has not enjoyed the enhanced authority he sought; the pre-Christmas fisheries rebellion was not a large event, but it reminded us of the underlying problem. The Conservatives have swallowed so far behind Labour in the polls that the polls have ceased to make news. The Budget was sensible, grey, overwhelming. The business of the Commons, from the Nolan report to minor European revolts, interested political obsessives but not the Plain People of these islands.

It had seemed equally clear that Tony Blair's victory in the Labour leadership contest last year was bound to produce either a new bout of ideological conflict or a sparkling new agenda. And again, what was "clear" never happened.

The internal argument about Clause IV was over before it started, ramming home how dominant Blair is. Since then Labour has lurked behind its leader's popularity while the Shadow Cabinet has – let us put this politely – avoided over-stimulating the public with bold initiatives.

The truth is that both of the main parties have been waiting all year. Labour is waiting for office, meeting industrialists, media tycoons and policy wonks; blocking in diaries with its election strategy. And the Conservatives are loitering about for signs of a recovery that people notice. For them

the grimmest thought is that this may be as good as it's going to get.

Labour, in short, has been too far ahead to be bold, while the Conservatives have been too far behind to be rough. Had all the politicians taken a year out in the Bahamas, most people would barely have noticed. The big stories were resolutely unpolitical – drought, health scares, various murderers. The greatest political coup came from the Princess of Wales.

It is tempting to argue that politics is losing its grip on the popular imagination because politicians can do so much less than they once promised. The power of global markets and compelling media images swamps the old Westminster game.

On that reading, Britain's sceptical attitude to the main parties is growing

The main parties have been waiting all year: Labour for office, Tories for recovery

up. Unlike some countries, we are not turning to extremists – merely to royal soap opera and the sports pages.

The only unequivocally good story of the year, the Irish peace, could be seen as the victory of secular marketplace values over politics – a lovely, civilian, decision-free hull. John Major has done nothing bold to secure a settlement, and despite ominous warnings, his passivity has not had disastrous consequences. It has been more waiting, but a kind of waiting one wishes endless.

This quietism, though, cannot last through 1996. The hull will break. Away from the headlines the momentum for change is detectable everywhere.

Much has been written, in somewhat morbid tones, about the likelihood of more Conservative MPs dying and the Government losing its major-



ANDREW MARR
Columnist of the Year

ity. Resignations, bankruptcies and even floor-crossings cannot be ruled out. Who knows what the wretched David Asby's new year will mean for him? At any rate, Conservative Central Office is prudently planning for the possibility of an election in about nine months' time.

But there is a rule, almost as inexorable as death, which is that governments do not go to the country early if they believe they will lose. They ignore inconvenient defeats. They extend recesses. They do any damn thing but resign. It is possible that the Reaper will finish off the Major administration in 1996. But we would be very unwise to expect it.

What is likelier is yet another bout of Tory plotting directed at the Prime Minister. There are plenty on the right of the party who will say, lean forefingers tapping twitching noses, that Major did a deal with Michael Heseltine in the summer and if routed again in the local elections will stand down.

By then the party will have become used to Heseltine as his deputy and the right will fail to stop him. In due course Heseltine will hand over to Chris Patten, the left's lost leader, who by then will have returned as MP for say, Kensington and Chelsea. So the conspiracy theory goes. I think it tells us nothing much except that the Conservative Party finds it easier to expend its imagination on life after Major than to imagine his next five years of achievement.

But 1996 will certainly bring us the general election campaign, even if not

the election itself. And if the Opposition intends to transform Britain, its leading figures have some serious decisions to make. Above all, Tony Blair and Paddy Ashdown have to decide what sort of relationship they want their parties to have, whether a closer alliance could propel the Conservatives out for longer than the four or five years that is normal before they return to their equally normal function, holding office.

This is a big decision because it marks the place where politics as normal breaks down and something new emerges. Thus far, even Labour reformers have tended to follow the Conservatives in regarding Liberal Democrats as a fringe group, to be mocked for their high-mindedness and dealt with, if at all, only as a last resort.

It is possible the Reaper will finish off Major, but we would be unwise to expect it

This would, I guess, have a big impact on the public mood of cynicism. It would be the worst thing that had happened to the Major administration since Black Wednesday.

Why isn't it rumbling ahead? The answer has nothing to do with rows over who would fight what constituency, since virtually no one is now calling for an electoral deal. It is much more to do with the Labour leadership's lack of interest in electoral reform. Tony Blair has offered a referendum on it, but given the impression that he would campaign for the status quo. This would, of course, scupper the Lib Dems and make it likelier that, if a Blair administration stumbled four years in, the Conservatives would come back as usual.

If Blair moves on voting reform in the year ahead, then politics generally will accelerate and start to change shape. Pluralism will cease to be a gimmick word among the pamphlet-writing classes, and will become imaginable to voters generally. The coming election will look ever more clearly like the watershed it surely is. If the Liberal Democrats and new Labour retreat into knee-jerk mutual mockery and fail to take these kinds of risk, on the other hand, the turgid mood of 1995 will be slow to lift.

This is a strange moment. It has not been a glorious year for politics. It has been almost as if everyone acknowledged that things could not carry on this way, and that some break with the slow, grey trudge of recent years was needed; yet no one was able to make it happen. We seem fated to act out, report and hear the same now-familiar rebellions, the same bland policy announcements, the same parliamentary bickering... and across the land rolls the same slow national yawn.

As I raise an unsteady glass to the year ahead, I feel sure that the wait will come to an end in 1996, at least with a political fight that electrifies us all. With thanks to all readers – may you drink deeply to that.

The world needs Britain to stay on the air

133 million listeners tune in to BBC broadcasts. Yet once again cuts are proposed, laments Andrew Marshall

One of the most memorable speeches of this year was Michael Portillo's brazen attempt to annex the Special Air Service to the cause of anti-Europeanism at the Conservative Party conference. His performance was crass, boastful, bragadocio, the worst example of the ignorant breast-beating which increasingly typifies Britain's attitude to the rest of the world.

Despite the posturings of the Secretary of State for Defence, if there is a British organisation with a three-letter name which is known and respected around the world, it is the BBC. That is principally because of World Service radio, broadcasting in English and 40 other languages to 133 million listeners.

But while Mr Portillo was at pains to defend spending on the armed forces, the World Service is targeted for heavy cuts, which would reduce its ability to operate as the last truly global British institution.

The World Service is a marvel. Talk to any English speaker who has spent time abroad and they will pay tribute to its virtues, as have hostages freed from Lebanon and those English speakers like Aung San Suu Kyi who have had better radio for comfort during long years of imprisonment.

Britain does not, however, fund and operate the World Service purely for the benefit of jailed political prisoners, lonely travellers and troubled expatriates ("please gather on Aden beach at 0500 GMT, where boats will be waiting to evacuate you"). Nor is it correct to assume that the World Service is purely a product of the need for a propaganda vehicle during the Cold War. It is a piece of enlightened self-interest, very much in tune with a world that is increasingly interlinked and which communicates in English.

The World Service sells the idea of Britain abroad. It does this directly – by teaching English and spreading British news and views – but also indirectly, by broadcasting news that is free of political interference. It has contributed to the better face of Britain in the world, as a liberal intelligent and humane nation.

The idea of Britain which the BBC projects is not, as non-listeners might imagine, stuck in the days of Empire. It is true that the strains of *Lilliput*, along with a sonorous BBC tone of voice and a seriousness

that has long been absent from the Home Service or the Light Programme, still hang on in the World Service. But it also has a range of programmes – scientific, cultural, frivolous, serious and all sorts in between – which show the many faces of modern British society.

On the musical front, for instance, as well as the Proms and classical music there are John Peel, Andy Kershaw, Dave Lee Travis and even Bob Holness, the former presenter of *Blockbusters*. He hosts an eclectic show called *Anything Goes* that might include the Goon Show or Blur.

The Government wants to lop £5.4m from the World Service's budget of £169m for 1994-95. The cash goes through the Foreign Office, where the Foreign Secretary, Malcolm Rifkind, has told us not to be "sentimental" about the savings. None the less, the cuts have already brought opposition from

The BBC World Service is the last truly global British institution

the usual suspects: BBC chiefs, MPs from both sides of the House and those who love good radio. In the past this coalition has often stopped cuts, or at least mitigated their impact.

Unfortunately, this time it may be different. For it is not just Foreign Office penury or the temptation of an easy penny saved which is at stake.

The World Service is, at its best, an emblem of a country which has been involved and interested in the world, which felt it had something worthwhile and important to say. The Britain of the Nineties is, increasingly insular and unconcerned by anything which does not confirm its mediocre prejudices about foreigners.

The Government suggests that commercial finance could fill the gap left by the cuts, allowing private capital to build new transmitters. That is unlikely to keep the World Service on the same wavelength that it has maintained for 63 years, broadcasting without fear or favour to every part of the world. But then, perhaps we don't have anything much to say to the world anymore, and perhaps we don't much care whether anyone is listening anyway.

Judgment on the Rock

Wild criticism of the European Court over the Gibraltar Three is unjustified, says Trevor Hartley

The announcement that the Government had paid nearly £40,000 to the relatives of the three IRA terrorists killed by the SAS in Gibraltar caused predictable outrage. "Another surrender to Europe", the *Daily Mail* called it, alongside a feature attacking the European Union and the Court of Justice – neither of which had anything to do with the payment.

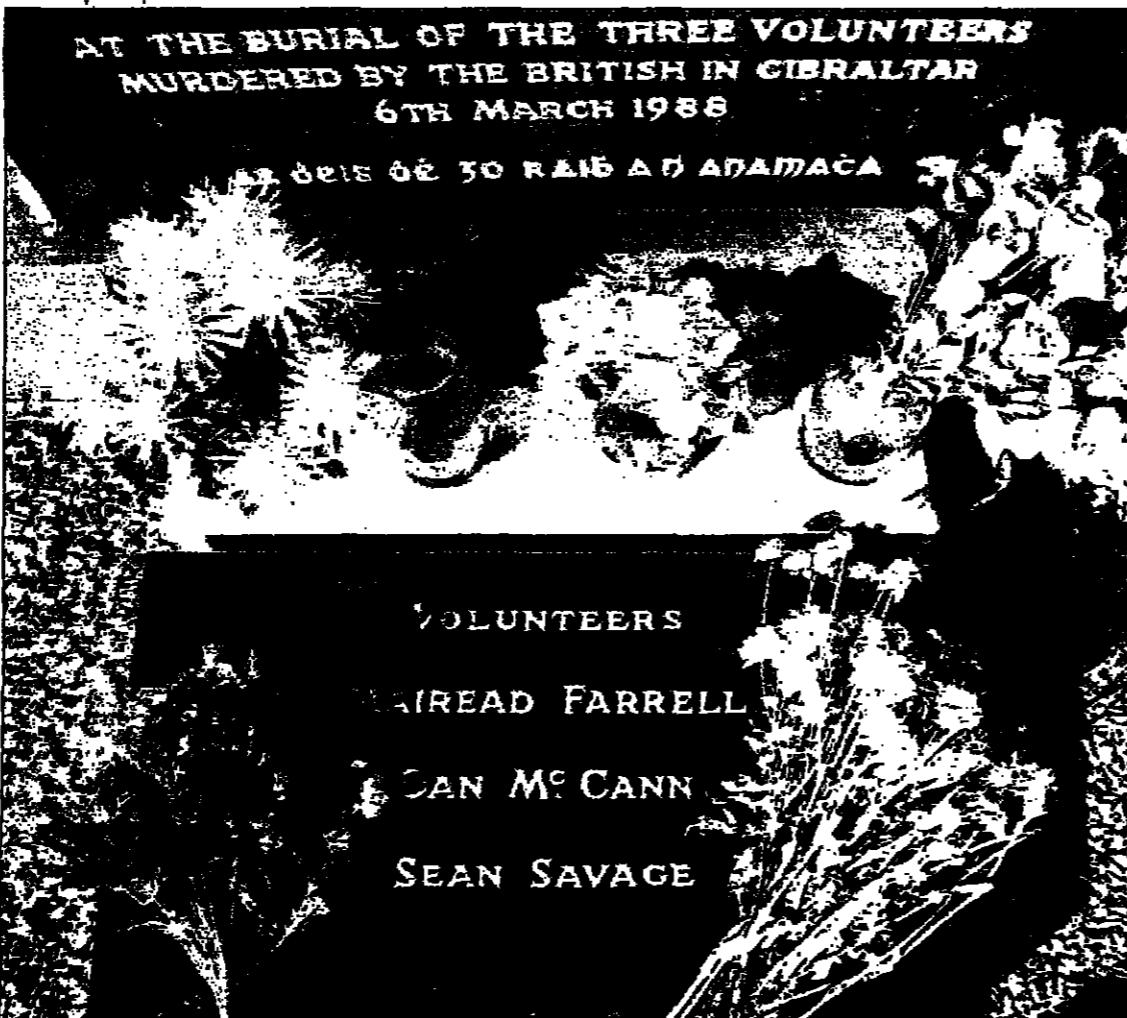
Although it paid up, the Government had greeted the judgment by the European Court of Human Rights in September with outrage – "judicious", said Michael Heseltine – and threats to withdraw from its jurisdiction. The IRA and the relatives of the dead three were jubilant. They claimed it proved that the Government was guilty of murder, and even said it branded Britain a "terrorist nation". However, neither reaction can be justified by anyone who looks at what the judgment actually said.

In fact the judgment came quite close to backing the British government line. The basic facts were awkward. In March 1988, three unarmed Irish people, one a woman, were mown down by the SAS in a hail of bullets. One eye-witness claimed that the soldiers had given no warning and then made no attempt to arrest the suspects. Moreover the car that one of them was seen parking contained no explosives.

No wonder the IRA claimed that the three were murdered, and when an attempt to sue the Ministry of Defence in Northern Ireland was blocked as a result of certificates issued by the Government, their relatives lodged an application before the European Commission of Human Rights.

The Government based its argument on intelligence reports that the IRA planned an attack in Gibraltar. The three were identified as members of an IRA active service unit. When one was seen parking a car, it was thought that the attack was imminent. IRA members on active service have been known to shoot their way to freedom when under threat of arrest. When challenged, each of the three had, according to the SAS, made a suspicious movement that could have been an attempt to draw a gun. The only way for the soldiers to protect their own lives and save those of other people was, the Government said, to kill.

Later a car was found in Spain that had been hired by one of the three under an assumed name. It contained Semtex and ammunition, showing that they were on a terrorist mission.



Posthumous justice? The grave of the Gibraltar victims in Belfast

Photograph: Cnspin Rodwell

The Human Rights Commission held in favour of the UK by eleven votes to six. The case then went to the court. At this point the Government must have felt fairly confident. The shock and chagrin must have been all the greater, therefore, when judgment went against the UK – and the narrowest of majorities. The court held by ten votes to nine that the UK had violated Article 2 of the convention that protects the right to life.

The European Convention on Human Rights was signed in Rome in 1950. Britain accepts the jurisdiction of the European Court of Human Rights and the preliminary filtering body, the

European Commission of Human Rights. The Human Rights Convention is the most notable achievement of the Council of Europe, a body that is completely separate from the EU and has a much wider membership. Originally seen as a bulwark against the resurgence of Nazism in Europe, the Human Rights Convention was regarded at the time of its inception as particularly advanced, both because of the detail and precision of its provisions – most declarations on human rights are notorious for their vague generalities – and because of its enforcement mechanism: the commission and the court. The fact that individuals could

bring proceedings before these bodies – most international bodies allow only governments to do this – was also seen as praiseworthy.

For many years the United Kingdom has accepted the right of individuals to bring cases against it, but it does so only for five years at a time. It would be open to it to withdraw when the time comes for it to renew its acceptance. In the past it has occasionally made threatening noises when it has not approved of a decision by the court, but so far it has always renewed its acceptance.

Article 2 of the convention prohibits deliberate killing, save in the execution of a sentence of a court for an offence

punishable by death. There are, however, three exceptions: self-defence or defence of others from unlawful violence; making an arrest or preventing a person from escaping; and quelling a riot or insurrection. The UK argued that the Gibraltar killings were excused by the first of these.

The court accepted that the SAS soldiers were not guilty of murder or of any unlawful killing. They accepted the Government version that the soldiers honestly – though, as it turned out, wrongly – believed that they had to act as they did to protect their own lives and the lives of others. To this extent the Government was vindicated. Nine of the judges, including the president of the court, held that the UK had not violated the convention at all. The majority, however, held that there was a violation, though not by the SAS soldiers. They ruled that the UK was at fault for allowing the situation to develop in which the soldiers believed that they had no option but to kill the suspects.

The Government admitted that they could have arrested the three suspects when they entered Gibraltar. However, if they had done that they would not have had enough evidence to bring them to trial. The authorities decided to wait, therefore, until they could get the car which they hoped would contain a bomb. The court felt that the authorities should have evaluated their information more carefully, for example, by considering the possibility that the car parked by one of the suspects might have been put there to keep the parking space free for a later car loaded with explosives.

In the end, therefore, the UK was found guilty of not having taken sufficient care to ensure that the lives of IRA personnel were protected. Some might feel that when known terrorists are at work one should not risk innocent lives, even if the risk is slight. The court disagreed. Nevertheless, the court accepted the Government's version of the facts, thus vindicating in large measure the UK. It awarded no compensation to the relatives, just costs, showing that the court accepted that the three were themselves out to kill. It may have been unfortunate that it did not hold fully for the Government, but the wilder criticisms of the court are not justified.

The writer is professor of law at the London School of Economics.

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INDEPENDENT • Thursday 28 December 1995

BUSINESS NEWS DESK: tel 0171-293 2530 fax 0171-293 2098

Economics: Tokyo reports rising output and investment, but US sees new fall in consumer confidence

Japan heads for new year recovery

DIANE COYLE
Economics Correspondent

Early signs of recovery in the Japanese economy helped the Nikkei share price index climb above 20,000 yesterday for the first time in more than a year.

Across the Pacific, new signs of economic slowdown in the US took Treasury bond prices to their highest for more than two years. The yield on the benchmark long-term bond had fallen to 6 per cent by midday.

US share prices also moved up, helping equities in London to close just below their record levels. The FTSE 100 index ended just over 18 points higher at 3,676.4.



The pound climbed sharply against the dollar yesterday. It closed nearly 2 cents higher at \$1.5602 and also rose more than a pence to DM2.2330. Its

index against a range of currencies rose 0.6 to 83.6. Traders said that a single big purchase of sterling in the Far East in very thin holiday trade accounted for the move.

Japan's industrial output rose unexpectedly sharply in November, and the Ministry of Trade and Industry said it expected production to climb in December and January too. The 1.3 per cent gain last month was the second increase in a row, after months of declining production.

The leading indicator for the Japanese economy rose above 50, the dividing line between recovery and recession, for the first time in October, according

to figures released by the Economic Planning Agency. Although the EPA warned that it was too early to be sure of a clear upward trend in the economy, the figures boosted optimism about corporate earnings.

The Nikkei 225 share price index closed up more than 107 points at 20,011.76, the highest since October 1994. Technology and electronics stocks led the advance. Yesterday's optimism was a contrast to earlier gloom about Japan's prospects for emerging from its economic slump. Economists steadily revised down their forecasts for growth throughout 1995.

"There is certainly a more upbeat mood now. This year is

ending on a strong note," said Stephen Hannah, head of research at IBJ International.

Hannah Nixon, an economist at Deutsche Morgan Grenfell, said: "The figures signal the turning point for the economy. There should be a gradual recovery in 1996."

Officials at Miti said that output was growing faster than forecast. The electronics and telecommunications sectors were likely to spearhead growth, and investment spending was on the increase.

Construction orders last month were 10.4 per cent lower than a year earlier, but the industry is expected to start to recover. New housing starts rose

0.1 per cent in the year to November, the first increase for nine months. The auto industry remained weak, however.

Finance minister Masayoshi Takemoto said: "I hope that the economy will be able to regain a 2 to 3 per cent level of growth." The reversal since April of the yen's earlier surge against the dollar - thanks to intervention by the Group of Seven industrial countries - had contributed to the recovery.

At IBJ, Mr Hannah said there was still great uncertainty about the state of the financial sector hanging over the economy. Banks would have to write off substantial debts during the first quarter of 1996. The

rising trend in unemployment - which reached 3.4 per cent last month - would make consumers cautious about spending.

US statistics yesterday added to the evidence that growth is slowing. Consumer confidence fell in December, according to a survey by the Conference Board.

Sales of existing homes fell 1.7 per cent in November, although they remained 9.5 per cent higher than a year earlier. Economists said this was a sign of slower economic growth, but falling mortgage rates would underpin the housing market.

Official US statistics have been delayed by the continuing Federal Government shutdown.

MATHEW HORSMAN
Media Editor

Whitbread yesterday ruled out a rights issue to help finance its £115m offer for Forte's restaurant business. But speculation was growing that the brewing and food retailing giant was poised to launch a separate bid soon for Carlsberg Tetley, in a deal that could lead to a cash call on shareholders.

Peter Jarvis, chief executive of Whitbread, the UK's fourth-biggest brewer, said: "We are very interested in strengthening this part of our business [brewing]. We could find anything half as good as Boddingtons, I'd of course be interested."

The company bought Boddington's brewing operations in 1989. A purchase of Carlsberg Tetley could make Whitbread the largest brewer in the country, toppling Scottish & Newcastle Breweries, which recently bought Courage for £435m to move into pole position.

Meanwhile, Granada was last night under pressure to raise its £3.2m bid for Forte or to give up. City analysts said, Kinnerton Benson, suggested the offer might have to be raised by 15 per cent to ensure success. Granada has until 9 January to increase its bid.

A Granada insider said: "We've got plenty of room in terms of borrowing power, and banks have backed us without hesitation." But the company officially declined to comment on its intentions, saying only that the Whitbread offer undervalued the restaurant assets.

Gerry Robinson, chief executive of Granada, said the sale was "a brilliant deal from the point of view of Whitbread" but not in the best interests of Forte shareholders. He claimed that Granada's offer valued the restaurant holdings at a higher price-earnings multiple than the Whitbread offer, although Forte disputed this.

Forte said the deal, which would reduce debt by 80 per cent, made sense for shareholders, and hinted that a special dividend might be on offer when the final defence document is published on 2 January. The company is also expected to announce a new valuation for its hotel operations.

Comment page 17

£200m First Hydro windfall for Recs

PETER RODGERS
Business Editor

A windfall of more than £200m was revealed yesterday by the 12 regional electricity companies, which have been paid far more for their pumped storage power generating business than they expected five weeks ago.

First Hydro, the Snowdonia power generator which the Recs owned, was sold to the US company Mission Energy for £85m, including cash balances of £7.5m.

The Recs that are still quoted on the stock market said they were keeping the money for use in their businesses and not passing it to shareholders.

The amounts raised range from £36.7m at South Wales Electricity and £4.4m at North-East Electric to £7.1m at London Electricity and £7.5m at Southern, which has the biggest stake. The sale gave a modest boost to most Rec share prices.

Mission is one of four bidders shortlisted to buy £1bn of power stations put up for sale by National Power. The biggest generator in Britain. If it succeeds in the second deal it would become Britain's fourth largest electricity generator.

Mission beat off competition to buy First Hydro from

Scottish Hydro, the north of Scotland electricity generator, which is thought to have offered nearly £200m less. The other failed bid was from Dominion Energy, a US company.

The Recs' advisers believe the cold snap just before Christmas, when prices soared in the electricity market, helped them gain a high price for First Hydro, by underlining the volatility of British power prices.

The business makes its money by using cheap off-peak electricity to pump water to high-level reservoirs at Dinorwic and Blaenau Ffestiniog in Snowdonia. When demand for electricity is high, the water is run down the mountains to low-level reservoirs where it generates electricity again. It is the national electricity grid's equivalent of a storage battery for saving power.

First Hydro becomes highly profitable when electricity market prices soar. However, Mission has also indicated that a favourable tax position made a high bid possible.

The sale price is more than £200m above the £450m value put on the business in the National Grid prospectus published on 21 November, and will lead to a substantial extra capital gains bill for the Recs.

National Grid had previously owned First Hydro, but just ahead of its own flotation demerged the business into a separate company owned by the 12 Recs.

The Recs that are still independent have passed the value of their National Grid shares directly to their own shareholders, but said yesterday they would keep all the cash from the First Hydro sale to use in their own businesses.

In the competition to buy the National Power stations, with generating capacity of 4,000 megawatts, Mission is competing against Enron, Applied Power Systems and Hanson's electricity distribution subsidiary, Eastern Group. National Power confirmed Mission was still in the running and said bids were being evaluated.

Mission is part of SCEcorp, a \$6bn (£4bn) US utility whose subsidiaries include Southern California Edison, one of the biggest generators in the US.

With the domestic market tightly controlled and unexciting, the group has joined the assault by US utilities on foreign power markets. It has recently invested \$250m in Indonesia and is involved in two small gas power stations, Roosecote and Derwent, in the UK.



Dinorwic: the pumped storage operation in Snowdonia is the nearest thing to a battery in the national electricity grid

Greedy eyes focus on £20bn Tessa bonanza

CLIFFORD GERMAN

Tour operators whose 1996 holiday brochures traditionally appear between Christmas and New Year, are greedily eyeing the £20bn wail of money that will pour out of tax-exempt special savings accounts - Tessas - that mature in the next six months.

At least £5bn will be tax-free interest which cannot be reinvested in a new Tessa, and tour operators are hoping the mainly middle-aged savers will splash out on a luxury cruise when their nest-eggs hatch.

Car dealers and department stores are also praying savers

Top Tessas - variable rate tax free accounts 1991-96

Top Tiddlers	Top Building Societies	Top Banks
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Dumfriesshire £12,343	Derbyshire £12,058	Royal Bank of Scot £11,870
National Counties £12,317	Halifax £12,050	Abbey National £11,829
J Hodge Bank £12,226	Bristol & West Bonus £12,019	NatWest £11,560
Malton Morebys £12,221	Woolwich £12,011	Lloyds £11,533

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rently offer. About 2 million people hold Tessa accounts, most taken out in 1991 when interest rates as high as 13 per cent were on offer.

Most have variable rate accounts on which returns have now halved. Many will have saved the maximum of £9,000 and will have around £3,000 of

tax-free interest at their disposal.

But banks and building societies that offer Tessa accounts will not give up without a fight. Yesterday alone three more providers announced terms to try to persuade account-holders to roll their savings over rather than withdraw them.

Halifax Building Society is guaranteeing a fixed rate of 7 per cent for the next five years for Tessa holders who have a maximum £9,000 in a maturing Tessa and reinvest before the end of January. A variable rate alternative will be offered starting at 5.9 per cent.

Northern Rock is topping the Halifax offer with a starting rate of 8 per cent for a £9,000 investment on its next generation of variable-rate Tessas.

Birmingham Midshires announced seven new Tessas, including an escalating rate Tessa starting at 6.25 per cent in the first year, rising to 9 per cent in year five.

The price maintenance agreement covering over-the-counter medicines has stood for 25 years but is now the subject of an Office of Fair Trading review.

Asda started its campaign by cutting the prices of around 80 vitamins and minerals by up to 20 per cent. But it ran into trouble when manufacturers successfully applied for an injunction.

Taylor Woodrow lands £133m Russian rail deal

RUSSELL HOTTEN

London

PHIL REEVES

Moscow

though contracts have not been placed, as large-scale works to clear explosives left by World War II have to be carried out before construction can start.

It is hoped that by upgrading and standardising Russian rail lines, they will eventually be linked to the expanding west European rail services.

Taylor Woodrow has been operating in Russia for about 10 years, and is regarded by the Moscow authorities as one of the most highly-rated Western construction firms doing business in the country. Current projects include building and refurbishing a cigarette factory for BAT, and it has built two fast-food Pizza Hut restaurants in Moscow.

The company said that it had never experienced any problems with corruption.

IMPORTANT INFORMATION FOR MORTGAGE CUSTOMERS

Interest Rate Change

The rates of interest for existing mortgage customers (in appropriate cases the basic rate) will decrease by 0.25% with effect from the 5th January 1996, and by a further 0.25% with effect from the 1st February 1996.

Fixed rate mortgages are not affected during the contractual fixed rate period.

In cases where mortgage interest rate changes are subject to notice, the decreases will take place after the appropriate notice periods which will commence on 5th January 1996, and 1st February 1996 respectively.

There will be no change to the interest rates on existing Secured Personal Loans regulated by the Consumer Credit Act 1974.

For customers participating in the Society's annual review procedure, these interest rate decreases will be taken into account when calculating new monthly payments from March 1996 on, in appropriate cases, the anniversary of the mortgage.

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Now Asda plans own brands in vitamin price war

NIGEL COPE

Boots the Chemist and other pharmacy groups were refusing to be drawn into a price war yesterday following a fresh challenge from Asda on the price of vitamins and minerals.

Asda is planning to launch an extended range of own label medicines in the Spring. The range will increase from 17 to more than 50 products. It will

also include own label versions of Seven Seas and Sanofran, two of the vitamin brands included in Asda's initial challenge to the price maintenance agreement on non-prescription drugs in October. The prices are expected to be more than 15 per cent below those of branded products.

Boots said yesterday that it would continue to support price maintenance on medicines. It

also said that it had cut prices via a three-for-the-price-of-two campaign on the Boots brand of vitamins.

Other retailers were refusing to say how they might react to Asda's latest initiative. Superdrug said it already had a lower-priced range of own label products but would be "keeping an eye" on the situation.

Sainsbury said Asda was simply copying other supermarket

groups in the move towards more own label products which attract a higher margin. Around two thirds of Sainsbury's sales are own label compared to just 34 per cent at Asda.

The City appeared unmoved by Asda's challenge. Asda's share price remained unchanged at 110.5p while Boots and Kingfisher, which owns the Superdrug chain, registered marginal declines.

The price maintenance agreement covering over-the-counter medicines has stood for 25 years but is now the subject of an Office of Fair Trading review.

Asda started its campaign by cutting the prices of around 80 vitamins and minerals by up to 20 per cent. But it ran into trouble when manufacturers successfully applied for an injunction.

No state finance is being provided, and RAO-VSM will not give the go-ahead for building work until negotiations with Western banks about fund-raising.

No state finance is being provided, and RAO-VSM will not give

Granada must stop tweaking and start bidding


COMMENT

If Forte shareholders extract too high a price, there will be nothing left for Mr Robinson and the deal becomes pointless.

The time is approaching for big decisions at Granada. Tweaking the £3.2m bid for Forte no longer looks enough to do the trick. A very substantial increase in the offer, possibly as much as 15 per cent, may be the way forward and even then the uplift is going to have to be substantially in cash. More paper and the law of diminishing returns begins to set in – the increased value of the offer may be wiped out by a falling share price.

The main planks of Forte's defence are now in the public arena. The only thing that remains is a full-blown property revaluation, which we are promised with the final defence circular on 2 January. Here, Sir Rocco Forte has to watch his step, for too high a valuation could well backfire by demonstrating the lamentably small return he has been making on those assets.

So far, Forte seems to have had the better of the war, despite its track record and state of unpreparedness at the start. The sale to Whitbread of the restaurants for £1.05bn falls short of a master-stroke, for it has the smell of a forced sale at a poor price, but it may be enough to make Forte's shareholders hold out for a lot more than the present Granada offer.

The question they have to ask themselves is this. After sale of the restaurants, what are they left with? The immediate pay-back is a special dividend of up to 50p a share. Chastened by the experience of the Granada assault, the rump hotels group presumably also becomes a much better-run company

with real value flowing through to shareholders. Presumably is the operative word here, for quite a bit of faith is required to believe this.

The sale to Whitbread is undoubtedly on the cheap side, though it is more than could have been achieved through the previously planned demerger. As exit p/c of 17 compares poorly with the 23 times earnings that Pelican trades on, and the 26 that Pizza Express sells at. Furthermore, Forte has shut the door on an auction by making this a lock-out deal, a device which from the seller's point of view is always hard to justify. This in itself might give Forte's shareholders pause for thought: has anything really changed at this company?

In a bid that is becoming famous for its one-liners, Gerry Robinson's, "There has been more innovation at Forte during the course of this bid than in the past 10 years," is particularly poignant.

To hand over all that value to Granada, admittedly with an on-going stake in its future since part of the offer is in shares, may look equally unappealing, however. Granada is that most unfashionable of companies: a conglomerate. Doubts about its strategy have considerably damaged Granada's share price since the bid was launched. If Forte shareholders extract too high a price from Granada, there will be nothing left for Mr Robinson and the deal becomes pointless.

Granada could probably withdraw gracefully – which is what leaving the present offer

on the table would amount to – without serious damage to its reputation or that of its chief executive. The bid costs so far, £35m, are a lot to throw down the drain but they are nothing against the likely costs of overpaying. Mr Robinson will wait to see the final defence before making up his mind, but he must already be aware that it's a tough call.

Gates closing on the empire-builders

It looks as though 1996 is set to be another boom year for takeovers with little sign of the present hectic pace of activity abating.

Financial services, pharmaceuticals, brewing and the media should continue to generate a steady flow of mergers and acquisitions.

In part, the motor for the present wave of activity is the prospect of a Labour government. Many chief executives see next year as a last chance for getting the big, empire-building acquisition through the competition authorities – particularly if it involves rationalisation and job losses, as most of them do these days.

As it stands, Labour policy on mergers would be to refer to the Monopolies and Mergers Commission virtually any acquisition of size. The onus would then be on the bidder not merely to show that the merger is not against the public interest (the present burden of proof) but to demonstrate that positive benefits would flow from it, too.

It seems doubtful that such a policy would survive the transition from opposition into government. For a start, it would put policy in Britain at odds with that of Europe, where the issue is to show only that a merger above a certain size does not harm competition. Demonstrating future benefit would also be a highly subjective thing, making merger decisions the object of whim and favour.

Nonetheless, a much tougher stance on takeovers and mergers seems highly likely. It may well be that the present Government pre-empts Labour by altering its stance ahead of the election. There are, after all, few votes in allowing through big job-shedding mergers without any kind of independent investigation.

Already there are straws in the wind. The two generator bids for electricity distribution companies would almost certainly have escaped without reference under Michael Heseltine.

The "anything goes" policy in operation when he was President of the Board of Trade in any case looks to have been a flawed one. What little academic research has been done on these matters indicates that very few mergers yield much long-term benefit, either to shareholders in the bidding company or more generally.

Nor is the creation of yet larger and larger "national champions", some of them with near-monopolies of their domestic markets, necessarily something that should be encouraged.

In an increasingly global, cost-conscious and competitive economy, the big-is-beautiful corporate philosophy has enjoyed a new lease of life.

Yet the fact remains that it never seems to have done Britain any good. A higher proportion of GDP is already accounted for in Britain by large companies than almost any other developed economy. It is the small to medium-sized sectors that Britain is weakest. This is where more successful economies such as Germany and Japan have outclassed us. Britain has its fair share of "world-class" companies, but in the second and third tiers down, the companies that aspire to world class, Britain's showing is poor. This may have something to do with the takeover culture that rules here.

In Britain the entrepreneurial dream is to make your pile as rapidly as possible, sell up and retire to the country with the Labradors. Not so in Germany where companies are much more commonly kept in the family and passed from one generation to the next.

For the time being the takeover culture, deliberately encouraged by Government policy and the City, remains supreme. But things are changing, not just among policy-makers, but among long-term institutional shareholders, too.

Many of them are a good deal more sceptical about the supposed benefits of mergers than they were. Those who want to take advantage of the present liberal environment had better move fast: the gates are closing.

Banking shake-up: Tugwell negotiates £1m-plus package as head of newly merged American operation

Top Natwest director quits for US job

JOHN WILLCOCK
Financial Correspondent

John Tugwell, NatWest's £1.4m-a-year highest-paid director, has resigned to join the company that is buying the British bank's New Jersey subsidiary.

He is negotiating a £1m-plus-a-year package to be chairman and chief executive of Fleet National Bank of New York.

Mr Tugwell has been NatWest's best-paid executive for several years, and his three-year rolling contract with Bancorp could have netted him a huge pay-off if he had left.

But staying on as chairman and chief executive of the newly-merged operation is expected to be a lucrative career move for a banker who nar-

rowly lost to Derek Wanless three years ago in the race to become chief executive of the whole NatWest Group.

The Bancorp acquisition means that Fleet will double in size to become America's tenth largest bank. The £2bn transaction is scheduled to be completed by May, and Mr Tugwell is understood to be negotiating a new contract.

According to NatWest sources yesterday, Mr Tugwell always said that he would stay with Bancorp when he left London to turn around what was then an ailing subsidiary at the start of the 1990s.

His success in pulling NatWest out of the mire in the US has brought him rewards that far exceeded the remuneration of directors who



John Tugwell: Highest-paid director at NatWest

salary measured against his US rather than UK banking equivalents, and he has done far better than Mr Wanless in remuneration terms. In 1994, for instance, Mr Tugwell received a total of nearly £2m – while Mr Wanless managed roughly a quarter of that.

NatWest began its ill-fated expansion into US retail banking in 1979, but by 1991 Bancorp had accumulated \$1bn of losses on property loans. By 1992 Mr Tugwell had returned the bank to profit, and then added two acquisitions.

The merger mania which seized American retail banking last year following cross-state deregulation posed a dilemma for NatWest: to spend heavily and expand, or to sell up. The bank confirmed last September

that it had chosen the latter course, not least because of soaring US bank stock prices, and analysts expected the price to be at least twice book value, or over \$4bn.

American accounting rules however meant that the sale of an overseas owned operation forced a write-off of the goodwill, which brought the price down to \$3.16bn.

This was still way ahead of the \$1bn valuation put on Bancorp four years ago, and the City viewed this as testifying to Mr Tugwell's success in reversing its fortunes.

While Mr Tugwell, 54, prepares for a new career as a senior US banker, the NatWest board is pondering how best to spend the proceeds of the Bancorp sale, which will release

£1bn of capital. It is keen to expand in investment banking and fund management. In this context a whole series of potential candidates have been linked with NatWest – including Legal & General, Friends Provident, Mercury Asset Management and Schroders.

NatWest has consistently refused to comment on all such market speculation.

However, the bank is not ruling out a 100m share buy-back scheme along the lines of a similar one undertaken by Barclay's Bank last year.

Some analysts would prefer NatWest to follow this route, seeing UK banks as heavily over-capitalised – and with a relatively poor history of expansion into non-retail areas.

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business

THE INVESTMENT COLUMN

Edited by Magnus Grimond

New venture trust is only for the brave

YORKSHIRE FUND MANAGERS AND EQUITY VENTURES OF BRISTOL appear to be putting hope before experience in pushing ahead with plans to raise £15m for the British Smaller Companies VCT, the latest offering in the venture capital trust stable.

For despite two years of gestation, VCTs have not been the runaway success the Treasury had hoped. Launched by Kenneth Clarke in his first Budget in November 1993, it was hoped VCTs would ease the birth of the enterprise investment scheme, a system of investment tax breaks designed to replace the business expansion scheme. But Mr Clarke's hopes the new trusts would channel £2.5bn into small companies now look sadly misplaced.

The latest launch, planned for February, follows last week's news that Friends Provident had pulled its offering because it could not attract the planned £1bn in subscriptions. Even the more successful trusts have not had an easy time. Murray Johnston, which has a strong track record, could raise only £18.4m of the £31.5m originally

intended for its VCT in September. The shares were launched at 100p, briefly hit a high of 105p, and have now slumped to 93p.

Northern Venture Trust, a fund with a regional flavour run by Newcastle-based Northern Venture Managers, had better luck in October, raising most of its planned £15m. But the shares also placed at 100p, have fared little better than the Murray VCT and now stand at 95p. It has been a similar story for Baronsmead, which floated its VCT in the same month and has seen the price slide from 100p to 96p.

The prospect of extensive tax

breaks has clearly not yet proved of sufficient attraction to the wealthier investors who are the main targets of VCTs. For those with up to £100,000 to put at risk for five years, the trusts offer income tax relief at 20 per cent on the initial investment, the ability to defer tax on existing capital gains and a potential stream of tax-free returns from the underlying investments.

After the bad press surrounding losses from the original BES and the

volatile fortunes of smaller companies, many investors will be well aware of that they should be prepared to lose their shirts. Baronsmead and British Smaller Companies will attempt to minimise the risks by investing only in established businesses.

The new trust is offering a yield of 3.2 per cent in its first year, which the company claims is equivalent to a gross return of 16.7 per cent after all tax reliefs. Like others, it is also holding out the prospect of distributing any realised capital gains as tax-free dividends. Even so, this one is only for the brave.

Russia is still hostile

Russia remains a hostile environment for most Western investors. The Russian mafia plays fast and loose with the rules, while the austerity, poverty and chaotic structures left over from the collapse of the

planned economy all make life difficult for the market economy.

Outside investors were concerned over the recent parliamentary elections which made the former Communists the biggest single party. Political developments seemed to be behind the recent decision by Stet, the Italian telecommunications company, to pull out of a deal to invest in a new Russian telecom group.

Political risks remain. But the situation is less dire than two years ago. Inflation has come down this year from 17 per cent a month to less than 5 per cent, and although the Russian stock market has fallen 30 per cent in the past year, there is a nucleus of about 50 stocks which are actively traded. They include Lukoil, an oil company with 15bn barrels of reserves. Unified Energy (utilities), Mosenergo (Moscow power company), GAZ (Gorki cars), Red October (chocolates), and a raft of shipping, paper and resources companies.

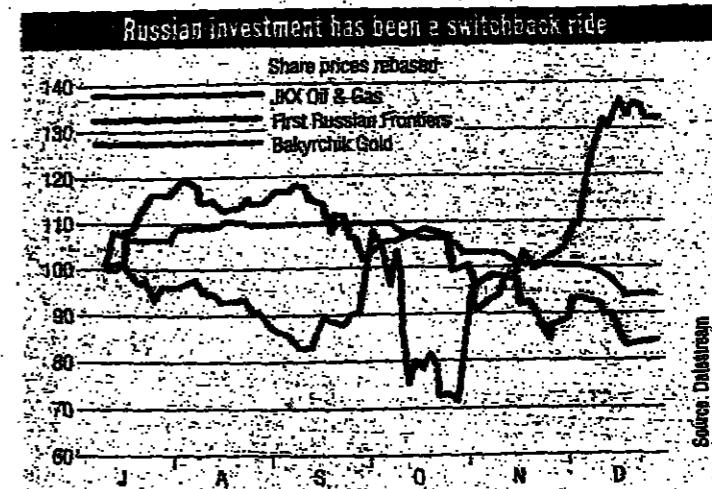
A few hardy investors are already operating there, on the grounds that mistakes can be made relatively cheaply, and valuable contacts and

experience gained. Pictet has a specialised fund, First Russian Frontiers, whose declining share price graphically illustrates the risks.

Framlington operates a Russian Investment Fund, which invests in Russian companies already in partnership with western groups. Determined private investors who want a direct punt should also take a look at IKX Oil & Gas, currently looking for oil in the south-west of Russia, and Baktychik Gold, which is appraising gold prospects in the central Asian region.

Gem of a year for Goldsmiths

Goldsmiths, the fast expanding jeweller chain run by Jurek Piasiecki, has been the gem of the sector this year. In April the company announced doubled profits of £3m. New stores, better systems and a couple of small acquisitions have boosted the group, which has been



well positioned to take advantage of the problems at Signet, the former Ratners business which controls H Samuel and Ernest Jones stores.

The shares have mirrored the trading, rising by 50 per cent this year to 227p, up another 2p yesterday.

The good news continued with yesterday's bullish Christmas trading statement. Like-for-like sales rose by 8.7 per cent in the month before Christmas, compared with a very strong December last year.

Sales for the 11 months to December were up by a heady 7.7 per cent. The concession opened in Harrods this year is also trading well.

Goldsmiths built its reputation on watches, which account for around 50 per cent of sales. It has tied up distribution agreements with Rolex, Cartier and Gucci, but is now looking to expand its non-watch business.

The plan is to add a further 3 outlets next year to the existing chain of 119. It has also declared its interest in buying H Samuel and Ernest Jones from Signet, although it has been rebuffed so far.

The company's broker, ABN Amro Hoare Govett, upgraded its full-year profit forecast to £4.25m yesterday. That puts the shares on a forward rating of 16. About right.

Simon Pincombe CITY DIARY

Getting a kick out of a call box



BT shareholders can return to the seasonal glutony with an easy mind: The telecommunications giant is confident that the latest spate of vandalism to its public telephones will not develop into a national trend. Neither, as has been privately suggested, will it necessitate an immediate redesign of the humble payphone (at great cost to the company).

The "few isolated incidents" of phone abuse appear to have their origin in the Leicester area. A mindless sub-culture has taken great delight in delivering a sharp kick to the doors of BT payphones when someone is making a call. Executed properly the blow jams the door, trapping the helpless caller for hours on end (it's at times like this when you discover that you don't have the right change).

For the technically minded the problem results from the steel frame of the payphone door being forced over the rubber trim. Once this has happened the caller can not then generate enough force from the inside to reverse the process.

"It is not a design fault," a BT spokeswoman assures us. "But it is obviously a factor that will be taken into account for the next redesign. These are extremely rare incidents and it does require huge force to block the door – a sustained and deliberate vandal attack."

Payphones were last redesigned in 1985. Are we about to witness the rebirth of the sturdy red callbox?

A Christmas card from Patrick Minford offers a rare glimpse into the obsessive mind of one of the Chancellor's "wise persons". Not

Ale in the mail is not the sort of concept you would expect to appeal to the sophisticate of women. But it has been going down a storm in the US this Christmas. A decision by America's mail order beer chain to place ads in magazines such as *Vogue* proved inspired – sales of special brand beers rocketed as wives and girlfriends grasped at anything alternative to socks and ties for presents. "We say 75 per cent of our customers right now are women," drawls Todd Holmes, a 23-year-old former estate agent who runs Beer Across America, the country's largest mail order beer club. For \$15.95 a month an American woman can buy her man two six-packs of unusual beers – something like Hurricane Lager from Miami or Houkers Ale from Chicago.

On reflection the socks sound like a good deal.

Pemberstone buys property trusts

MAGNUS GRIMOND

Pemberstone, the property group that came to the stock market in September, is paying £11.7m for three property companies in a Business Expansion Scheme-inspired deal. The three were vehicles set up to take advantage of the Government's assured tenancy scheme to allow investment under the now-defunct BES.

Pemberstone is paying £4.175m for the First Roman Property Trust, which owns sheltered developments and flats in north Wales and Cheshire, £3.625m for the Second Roman Property Trust, owner of sheltered accommodation in Shropshire, Chester and Llandudno, and £3.925m for the Third Roman Property Trust, with sheltered accommodation in north Wales and the Midlands.

Investors are being offered cash and shares, allowing them either to realise their investments or shelter their existing BES capital gains by taking up the shares.

The roll-over option is available because Pemberstone was itself a BES company. The new shares are being offered at 66p, which compares with 60p at which the company raised £6.75m through a placing when it came to the stock market in September.

Capital Ventures, a subsidiary of Pemberstone, sponsored the BES prospectus for all the Roman companies. Since 1991 another subsidiary, CIM, has handled the financial and property management of the three businesses. Chester, the property agents, has valued the property assets at a combined value of £11.2m.

New Savings Rates from the Bristol & West

EFFECTIVE 28TH DECEMBER 1995 (unless otherwise stated).

†Fixed with effect from 1st January 1996 until 30th June 1996. †† With effect from 5th January 1996.

ACCOUNT	AMOUNT INVESTED	GROSS RATE OF INTEREST PA* (VARIABLE)	NET PA**	ACCOUNT	AMOUNT INVESTED	GROSS RATE OF INTEREST PA* (VARIABLE)	NET PA**
SELECT				TESSA PLUS	£3,000+	6.10%	
	£50,000+	3.10%	2.33%		£500+	6.40%	
	£25,000+	2.90%	2.18%		£1+	1.00%	
	£10,000+	2.40%	1.80%				
	£5,000+	2.10%	1.58%				
	£2,000+	1.85%	1.39%				
	£500+	0.25%	0.19%				
	£2+	0.20%	0.15%				
				PREMIER TESSA	£9,000+	6.70%	
					£5,000+	6.40%	
					£3,000+	6.40%	
					£500+	6.60%	
					£1+	0.35%	
				PREMIER RESERVE BOND	£1,000+	6.50%	
					£1+	0.35%	
				BONUS TESSA	£3,000+	5.05%	
					£500+	3.55%	
					£1+	0.50%	
				THE CHILDREN'S ACCOUNT	£1+	2.45%	1.84%
				CHARITY ACCOUNT (††)	Withdrawals available on instant access.	3.10%	2.33%
				DEPOSIT ACCOUNT (††)	£1+	0.60%	0.45%
				SPECIAL DEPOSIT ACCOUNT (††)	£1+	0.60%	0.45%
				SAVINGS SHARES	(No longer available) Rates also apply to Cheshunt Regular Monthly Savings.	0.55%	0.41%
				SECURE INVESTMENT ACCOUNT - ISSUE 3	£2,000+	8.20%	6.15%
				SECURE INVESTMENT ACCOUNT - ISSUE 4	£2,000+	7.00%	5.25%
				FULLY PAID SHARE	Interest paid six monthly. Rates also apply to Cheshunt Investment Share, Cheshunt Club, Cheshunt Ex Thrift and Cheshunt Subscription Share. (No longer available).	3.06%	2.29%
					£50,000+	2.85%	2.15%
					£25,000+	2.37%	1.78%
					£10,000+	2.37%	1.78%
					£5,000+	2.08%	1.56%
					£2,000+	1.83%	1.38%
					£1,000+	1.83%	1.38%
					£500+	1.25%	0.91%
					£2+	0.20%	0.15%
(1-6 Withdrawals)				BONUS INTEREST BOND ISSUES 2, 3 & 4	£25,000+	5.50%	4.13%
					£10,000+	5.15%	3.86%
					£5,000+	4.70%	3.53%
					£1+		
(More than 6 Withdrawals)				BONUS INTEREST BOND ISSUES 1 & 2 (No longer available)	12 month Bond account with added Loyalty Interest.	5.05%	3.86%
					Bonus of 0.25% gross pa on renewal in 1st and 2nd year.	4.70%	3.53%
				BONUS INCOME BOND Issue 2 (††)	£250,000+	5.79%	4.35%
					£100,000+	5.70%	4.27%
					£50,000+	5.60%	4.20%
					£25,000+	5.37%	4.02%
					£10,000+	5.05%	3.77%
					£5,000+	4.17%	3.13%
					£1+		
				CHESHUNT SPECIAL 90	£50,000		

market report/shares

DATA BANK

FT-SE 100

3,676.4 + 18.1

FT-SE 250

3,999.7 + 14.3

FT-SE 350

4,823.5 + 8.4

SEAO VOLUME

316.8m shares

16,577 bargains

Gilt's Index

95.75 + 0.33

SHARE SPOTLIGHT

share price, pence

450

400

350

300

250

200

150

100

50

0 J F M A M J J A S O N D

Window-dressing has Footsie flirting with all-time high



MARKET REPORT

DEREK PAIN

Stock market reporter of the year

Shares enjoyed a tantalising session threatening to challenge their all-time peak. In the trading vacuum sandwiched between Christmas and New Year, the stock market is little more than a parody of its normal self with skeleton staffs often forced to cope with only token demand.

A few institutions, however, decided to take advantage of an actionless day and, according to some of the traders who journeyed to their offices, took the opportunity to improve their portfolio performance by nudging selected shares higher.

British Steel, the best-performing FT-SE 100 stock, was said to owe its 6.5p advance to 163.5p to gentle institutional support, reputedly on yield considerations. GEC, up 8p at 351p, was another to get the window-dressing treatment with the debate about boardroom changes offering the ex-

case. With New York staying in positive territory during the market's alleged trading session, Footsie managed an 18.1-point gain to 3,676.4, just 4 below the peak established at the start of the month.

Dixons is not a member of Footsie and, therefore, failed to make any contribution to the index advance.

It should, however, make a contribution from today. The electrical retailer is the Footsie replacement for the TSB banking group, merging with Lloyds Bank. TSB firmed to 399p and Lloyds 5p to 847p.

Suggestions of buoyant Christmas trading also helped Dixons, reporting interim figures soon, to score an 18p advance to 449p. Other retailers made headway on indications of their festive sales with Marks & Spencer gaining 6p to 442p. Allders, the department stores chain, edged 2p ahead to 167p with whispers of

takeover still audible. J Sainsbury managed a 4p gain to 383p despite a savage condemnation by Bill Myers, experienced analyst at Williams de Broe, the stockbroker.

He declares: "Something

has gone wrong with the core Sainsbury's business. The supermarkets have delivered a first-half sales performance which is by far the weakest of the major grocers. Adding to the misery, Sainsbury's margins are proving much less resilient than Asda or Tesco."

He expects profits in the year to end-March to come out at £815m, uncomfortably close to last year's £809m.

Footsie's latest escape deal -

selling its restaurants to Whitbread - prompted a 6p gain to 332p in, by the standards of the day, brisk trading. Whitbread rose 6p to 670p. Ladbrokes, the betting and hotel group which had been the favourite pre-Christmas Whitbread target, shaded 2p to 150p. Granada responded to the proposed restaurants sale with an 8p gain to 643p.

If Granada should retire empty-handed from its Forte foray many suspect it will turn its attention to Pearson, the banking and media group. The shares gained 8p to 622p.

The sale to US group Mission Energy of National Grid's former pumped storage busi-

ness failed to brighten electricities which collect most of the cash. The 10.8m sale price was well ahead of most forecasts.

London Electricity slumped 11p to 588p, largely reflecting the stripping of the 100p special dividend announced in November.

Tate & Lyle, the sugar group, gained 6p to 468p as the long-running industrial dispute at its US AE Staley operation was resolved. The row has boiled since 1992.

The cold weather helped oil, British Petroleum, as it confirmed its £2.3bn Algerian exploration project which could increase its world gas reserves by up to 30 per cent, flared 10p to 540p. Shell rose 5p to 860p.

Manchester Utah held at 195p as Fidelity, the big US fund management group, disclosed a 4.6 per cent shareholding.

Stanford Rock, developing a TB treatment, firmed 3p to 255p as it said it had raised £1.75m through a 30p-a-share placing. Enviroined, the troubled health-care group, held at 26p as former director Ron Zwanziger and friends moved their stake to 18 per cent.

KS Biomedics, seeking to develop an arthritis treatment, continued to respond to its cash-raising exercise, gaining 11p to 141p, and Electrophoretics' link with the Ministry of Agriculture to research BSE prompted a further 15p gain to 187p.

BFG, formerly British Technology Group, gained 70p to 1.095p following the Yamazaki projections.

Reunion Mining remained friendless. The African gold miner arrived last week through a placing at 80p. The shares have fallen each day since their debut and lost a further 10p to 56p.

□ Archer Daniels Midland, the US agribusiness with 7.5 per cent of the Tate & Lyle sugar group, is displaying a taste for Acros & Hatchetson, the market leader in own-label food oils and margarines.

The Americans acquired a 22.5 per cent Acatos interest last year as part of a joint venture. On Friday they picked up 420,000 shares lifting their interest to 28.7 per cent. Acatos is 245p against the 288p Archer paid for its opening stake.

□ Tamaris, the fast-growing nursing home group, is leasing three homes, lifting its chain to around 12. The three properties will not make much contribution to current year's profits.

More deals are planned. Profits of £1m are expected this year against £322,000. The shares are 2p.

Other details: xR Ex rights xD Dividend xE Unlisted Securities Market xS Suspended pp Party Paid pNil Paid Shares. Source: Financial Times.

BANKS, MERCHANT

BANKS, RETAIL

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CLOTHING

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FOOD

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GAS DISTRIBUTION

HEALTH CARE

ENGINEERING

HOUSING

GOVERNMENT SECURITIES

today's television & radio

pick of the day

MICHAEL CANNON: A SCOT IN THE ARCTIC 9.30pm BBC2

Never forget last year's masterpiece about Joanna Lumley attempting to survive on a desert island with only a camcorder and a dog and a film crew. The same is now repeated, except the island is packed off to the frozen wastes of the Canadian north, where it faces temperatures of minus 40 degrees and polar bears.



Polar bears can't faze Big Yin.

Say what you like about Nick Broomfield, the permanently bemused filmmaker, but you always know where you are with him: usually in a car, driving along a soundway, and him on the car-phone being turned down for an interview with the subject of his film, **Heidi Fleiss: Hollywood Madam** (BBC2) began like this, a sequence familiar to those who have got to know his work over the years. Work in which he made much mileage (and a great deal of footage) not managing to land audiences with Eugene Terreblanche and Margaret and Mark Thatcher. Now Heidi Fleiss, pander to the stars, a woman who mainlines on publicity, was avoiding him. Such is his growing lack of success, you feel it is only a matter of time before he fails to interview Michael Winner.

There is something refreshingly honest about this approach of Broomfield's, though. Almost every other documentary-maker pretends to have greater access than they possess, and here is a man cheerfully revealing how far outside he is. Besides, how close would you want to be to the

people he was profiling here? Fleiss, a woman blessed with all the privileges a background could provide, had been drawn into a world so sordid it made you weep: beautiful girls, motivated solely by money, being manipulated by sadists to satisfy appetites jaded by excess.

"I used to be hired by a plastic surgeon to the stars," explained one Fleiss girl.

Broomfield managed to talk to, "He paid me to sit and watch him light his pipe and smoke on coke. I didn't find it rewarding – I prefer to have a nice meal and an intellectual conversation. Then fool around afterwards." Hookers can't be choosers.

The point about a Broomfield film, however, is that the mechanics of incompetence – the phone-calls, the doorsteppings, the rejections – are as enjoyable as any interview. This film was shot through

with lovely moments – Fleiss asking another camera crew their advice as to whether she should accede to Broomfield's demand for an interview, or a madman on the other end of his car phone yelling, "I'm so sick of you. I'm going to call the BBC and tell them I'm being harassed by their members"; or Broomfield asking a hooker on Sunset Boulevard if she knew Heidi, and the hooker, assuming him to be using slang for some obscure sexual practice, shrieking: "What are you on about?"

More than that, though, the bits of business help create the picture of the world Broomfield's quarry moves in. The testimony of a vice-squad policeman, for instance, all moral self-righteousness when he thought he was on the record, was beautifully subverted by the footage which preceded it of him bagging over the fence. And, while another documentary-maker would simply show the home movies of Heidi filmed by her lover, Broomfield explained that he had bought them from the man. Nothing more needed to be said about the contempt with which those

within Heidi's orbit treated each other. The problem with building a picture this way, however, is that it takes a long time. And it wasn't until the end of 90 minutes that you realised that the one question which makes Heidi Fleiss a worthwhile subject for a documentary remained steadfastly unanswered: whose numbers were in her little black client book?

It is good to see that one television Yuletide tradition remains intact. The one in which children are forced to sit down in front of *The Royal Institute Christmas Lectures* (BBC2), in the vain hope that something useful might percolate into the brainzanga that is their telly-overdosed brains. And then James Jackson, in his marvellous introduction to earth sciences for 11-year-olds (just about my level the day after Boxing Day) opens this year's address by saying to his audience of pre-pubescents: "in your lifetime the population of the earth will treble." Is this really the sort of horrifying thought we want to implant in our children's minds? For a moment, the *Power Rangers* Christmas Pantomime looked like harmless fare in comparison.

film of the day

MUCH ADVENTURE NOTHING 9.30pm BBC2

Set in 16th-century Tudor England, bringing Shakespeare to the masses, might make you say a very good reason to take the dog for a walk – but, all in all, this is a decent sunny

version of Shakespeare's

comedy, with Michael Keaton,

Karen Keegan and Denzel

Washington looking too blank

when faced with the blank verse.



Keaton and Keegan in the blank verse days.

BBC 1

- 7.00 News; Local News: Weather (4723157).
- 7.10 Toy Symphony (R) (234515).
- 7.35 Favourite Songs (R) (726315).
- 8.00 News; Local News: Weather (4076751).
- 8.10 Joe 90 (R) (5080138).
- 8.35 Teenage Mutant Hero Turtles (R) (7061409). *
- 9.00 News; Local News: Weather (5137480).
- 9.05 Global Gatecrash (S) (5263654).
- 9.30 Stone Protectors (R) (89374).
- 10.00 Playdays (S) (5286765).
- 10.25 William's Wish Wellingtons (R) (5192461).
- 10.30 **The Three Musketeers** (Richard Lester 1973 UK). Dumas played greatly for laughs by Michael York, Ollie Reed, Fay Dunaway and a host of other British bums. A rare box-office hit made with Panamanian money (2804934). *
- 12.15 **Darjeeling Limited** on Safari. Danny Minogue in *Tanzania* (S) (5026044).
- 12.55 Local News: Weather (12901799).
- 1.00 News; Weather (48462915). *
- 1.10 Neighbours (S) (68920374). *
- 1.30 Coronation (1501346).
- 1.40 **The Borrowers**. Showing in two parts, the acclaimed children's TV adaptation of Mary Norton's book about a family who, it says here using metric measurements, are only 15cm high. Ian Holm and Penelope Wilton lead the cast. Concludes tomorrow at the same time (R) (5773765). *
- 3.05 **Superman III** (Richard Lester 1983 US). Evil types bent on world domination invent a naughty super-doppelganger. Christopher Reeve battles himself. Lovely tosh with great FX. Stars Richard Pryor, Robert Vaughn, Pamela Stephenson (81738916). *
- 5.05 **Newsworld Review of the Year** (2073041). *
- 5.35 Neighbours (R) (406374). *
- 6.00 News; Weather (984770). *
- 6.15 Local News/Magazines (989225).
- 6.30 **Telly Addicts Christmas Special**. Famous couch potatoes (S) (935). *
- 7.00 Big Break (S) (3570). *
- 7.30 **EastEnders**. Tricky Ricky is determined to get some answers about his dad (S) (119). *
- 8.00 Great Ormond Street. Emotional tales from the wards of the children's hospital (S) (6190).
- 8.30 **The Lenny Henry Christmas Show**. Chris Eubank talks about what Christmas means to him. You'd have thought he'd have learned by now (S) (5225). *
- 9.00 News; Local News: Weather (6935). *
- 9.30 **Billy Connolly: A Scot in the Arctic**. Glasgowian on ice. See Pick of the Day (S) (91918).
- 10.20 **They Think It's All Over**. Festive football fun with guest Mel Smith and Alan Lamb (S) (272799). *
- 11.00 **Review of the Year 1995**. War and scandal (S) (13564). *
- 12.15 **They Carry on Behind** (Gerald Thomas 1975 UK). Archaeologists co-here their way round a caravan site. Stars Kenneth Williams and Windsor Davies, but not Barbara Windsor, who was cutting Phil and Grant, Mitchell round the ear and packing them off to school at the time (445981).
- 1.45 Weather (2609504). To 1.50am.

BBC 2

- 7.05 **EMM The Great Dictator** (Charles Chaplin 1940 US). Satire which took Charlie Chaplin off Hitler's Christmas card list for good. Also stars Paulette Goddard, Jack Cole (34375461).
- 9.05 **WHAT Price Hollywood?** (George Cukor 1932 US). The original *A Star Is Born* stars Constance Bennett and Lowell Sherman as the ingénue and the sozzled power-broker who gets her places (7073041).
- 10.30 **The Voyage of Charles Darwin**. Captain FitzRoy plans to found a Christian colony, but Darwin has misgivings (S) (52119).
- 11.30 **The Royal Institute Christmas Lectures – Planet Earth**, an Explorer's Guide. Dr James Jackson reveals that the key to understanding how the Earth moves lies not above the sea but deep in the oceans (S) (47428).
- 12.30 **The River of Sound**. Irish music from the likes of Christy Moore, Van Morrison and pipeman Davy Spillane (S) (56933).
- 1.30 **What Did You Do in the War, Auntie?** The BBC in World War Two, according to this repeated film. It's a story of transformation, really, as the governing classes slowly realised that the wireless, rather than being a threat, might actually be a tool of war (S) (97586843).
- 3.10 **Fiddler on the Roof** (Norman Jewison 1971 US). Oscar-winning musical about matchmaking on the frozen steppes, as Ukrainian milkman Tevye is determined to find five husbands for his five daughters. Terrific, bold cinema with catchy tunes and functional lyrics (54803887). *
- 6.00 Wallace and Gromit in *A Grand Day Out*. Nick Park's BAFTA-winning animation in which a man and his dog take a rocket trip (R) (S) (537886).
- 6.25 **Star Trek: Deep Space Nine**. Adventures in the wormhole (S) (399577). *
- 7.10 **The Car's the Star: The Infamous Austin Allegro** (S) (920596).
- 7.30 **Sylvie Guillerm**. The French genius does amazing things with her legs in works by Jonathan Burrows and Francois He Van (S) (461).
- 8.00 **Decade Magazine: Images from the News 1995**. Major photographic images of 1995 (3119). *
- 9.00 **MUCH Ado About Nothing** (Kerneth Branagh 1993 UK). (S) (9442817). *
- 10.50 **Trick on Two**. *Prescription* (S) (508916). *
- 11.00 **MAN OF THE WEST** (Anthony Mann 1958 US). Pleasant formula western in which a reformed gunslinger gets involved in one last heist. The cast list – Gary Cooper, Lee J Cobb, Arthur O'Connell, Jack Lord – reads like a who's who of westerns (947848).
- 12.35 **Unplugged with Bjork**. Crazy woman emits shrieks (S) (7844691).
- 1.20 **The Big Knife** (Robert Aldrich 1955 US). Fabulous example of the Hollywood-on-Hollywood genre, in which sliding star Jack Palance falls victim to ruthless studio boss Rod Steiger. Apparently Palance and Steiger loathed each in real life, which adds considerable plausibility to their scenes together (566252).
- 3.00 **Weatherview** (76637146). To 3.10am.

review

Jim White

people he was profiling here? Fleiss, a woman blessed with all the privileges a background could provide, had been drawn into a world so sordid it made you weep: beautiful girls, motivated solely by money, being manipulated by sadists to satisfy appetites jaded by excess.

"I used to be hired by a plastic surgeon to the stars," explained one Fleiss girl. Broomfield managed to talk to, "He paid me to sit and watch him light his pipe and smoke on coke. I didn't find it rewarding – I prefer to have a nice meal and an intellectual conversation. Then fool around afterwards." Hookers can't be choosers.

The point about a Broomfield film, however, is that the mechanics of incompetence – the phone-calls, the doorsteppings, the rejections – are as enjoyable as any interview. This film was shot through

ITV/London

- 6.00 GMTV (8181848).
- 9.25 **The New Adventures of He-Man** (R) (8278596).
- 9.50 **Batman – the Animated Series** (S) (1859374).
- 10.20 News; Local News (3718139). *
- 10.30 **States of Gold**. Torvill and Dean and Robin Cousins are the star attractions in this ice-skating extravaganza (R) (49645).
- 11.30 **The Magic of David Copperfield**. Lupine trickery (R) (4022409).
- 12.20 Local News; Weather (8112461). *
- 12.30 News; Weather (2887799). *
- 1.25 **Christmas in Emmanuel**. Pranks, pub clashes and revenge (R) (8177848). *
- 2.00 **Daffy Duck's Quackbusters** (Greg Ford and Terry Lennon 1989). Ghostbusters parodied by Bugs Bunny and Porky Pig (8049645).
- 3.15 News (8696536). *
- 3.20 Local News (6633409). *
- 3.25 **Big** (Penny Marshall 1988 US). A small boy makes a wish and turns into Tom Hanks. Very attractive role-swap comedy – the best of this mid-Eighties cycle – in which Hanks delights as the big baby (S) (9194594). *
- 5.10 **After 5 with Carol Keating, Then the Missing File** (2067480). *
- 5.40 News; Weather (770596). *
- 5.55 **Your Show** (257138).
- 6.00 Home and Away Special. Shana and Angela's wedding, in which Angela looks lovely in white taffeta and matching wheelchair (751). *
- 6.30 Local News (913). *
- 7.00 **Back to School**, Mr Bean. Classroom grunts (R) (2138).
- 7.30 **Emmerdale**. Frank fights for survival. Kim gets tough (515). *
- 8.00 **The Bill**. An abandoned baby (8868). *
- 8.30 **Schofield's TV Gold**. Recycled clips – Victor Meldrew, Steptoe and Son, Lee Dawson – topped and tailied by Phillip Schofield. Someone give this man a proper job (S) (92225). *
- 9.30 **McCallum**. Pilot for a possible forensic drama with John Hannah, a face you might remember from *Four Weddings and a Funeral* (as Simon Callow's lover). Unpromising, but things can only get better (11206). *
- 11.00 News; Weather (8147132). *
- 11.15 Local News; Weather (232598). *
- 11.25 **TRUE Identity** (Charles Lane 1991 US). So-so role-swap comedy in which a black actor turns white to avoid the mob. Lenny Henry does what he can with a feeble script (S) (946393). *
- 1.05 **THE Bride** (Frank Roddam 1985 US). Leaden *Frankenstein* starring Sting. Jennifer Beals (S) (59561349).
- 3.20 **The Panasonic Sound Blast Awards 1995**. College bands thrash it out at the Clapham Grand (S) (5887252).
- 4.20 **On the Live Side** (R) (S) (80816252).
- 4.45 **EAT Follow the Leader** (William Beaudine 1944 US). Bowery boys splosh to choicer. Dated comedy with Leo Gorcey, Huntz Hall (3043233).
- 5.55 **ITN News** (1353271). To 6.00am.

Channel 4

6.00 **Ulysses 31** (R) (1613954).

6.15 **The Adventures of T-Rex** (R) (2317916).

7.30 **Little Dracula** (R) (73159).

8.00 **The Big Breakfast**. Bizarre mixture of Roy Hattersley, Fen Brittan and the Outhure Brothers. Will any of them have heard of the others? (24596).

10.00 **Saved by the Bell: The New Class** (R) (8731175). *

10.25 **Babylon 5**. Genetically altered telepathic fugitive mutates into destructive superbeing (R) (S) (3065393). *

11.20 **California Dreams** (R) (2476995).

11.45 **Alien Mice from Mars** (S) (2145684).

12.10 **The Super Mario Bros** (R) (3771138).

12.20 **Dennis** (S) (8100003).

12.30 **Susanna Street**. Zap Mama meet A, Kand 4 (41003).

1.30 **The Air Globes**. Colombian childhood memories (1520751).

1.45 **THE Bishop's Wife** (Henry Koster 1947 US).

2.45 **Grant** (Peter Finch 1967 US). Inadequate

Yuletide typcast as an angel who answers David Niven's prayers. Well, it wouldn't be Christmas if they didn't play this, would it? Also stars Loretta Young (722393).

3.45 **THE Agony and the Ecstasy** (Carol Reed 1965 US). Charlton Heston paints the Sistine Chapel. Very sincere, absolutely laugable. Rex Harrison is the Pope (2025613).

4.00 **Home Improvement** (S) (393). *

4.30 **New GameMaster** (S) (645).

4.45 **Home and Away** Special. Shana and Angela's wedding (S) (2067490). 5.10 **Home and Away** Special (2067490). 5.30 **Entertainment News** (232596).

6.15 **TEENAGE DRAMA** (R) (2124611).

6.20 **Regional News** (6127157). 6.20pm **Regional News** (6124611).

6.25 **Shortland Street** (2959291). 6.30 **Entertainment News** (232596).

6.45 **Angela** (S) (2124611).

6.55 **Entertainment News** (232596).

7.00 **Angela** (S) (2124611).

7.15 **Entertainment News** (232596).

SPORT

TIGERS ROAST BAA-BAAS

Rugby union's match of the day 21

BRIXTON'S BOXING PEARL

A new sporting face for 1996 20

PREMIERSHIP: Cole goal against his former club sets Ferguson's men on their way as lead is cut to seven points

Rampant United reopen title debate

Manchester United
Newcastle United

20

May it was the sight of the black-and-white that inspired him, or perhaps he is a big occasion player after all. Whatever the reason for Andy Cole's rediscovery of his scoring touch at Old Trafford last night, his timing was richly ironic.

Cole's expertly-taken sixth-minute goal was the catalyst for the defeat of his old club, Newcastle United, by his current one, Manchester United. The win, which was sealed by Roy Keane after 52 minutes, breathes life into a championship race that Newcastle were threatening to strangle.

Kevin Keegan's side remain

TOP TWO

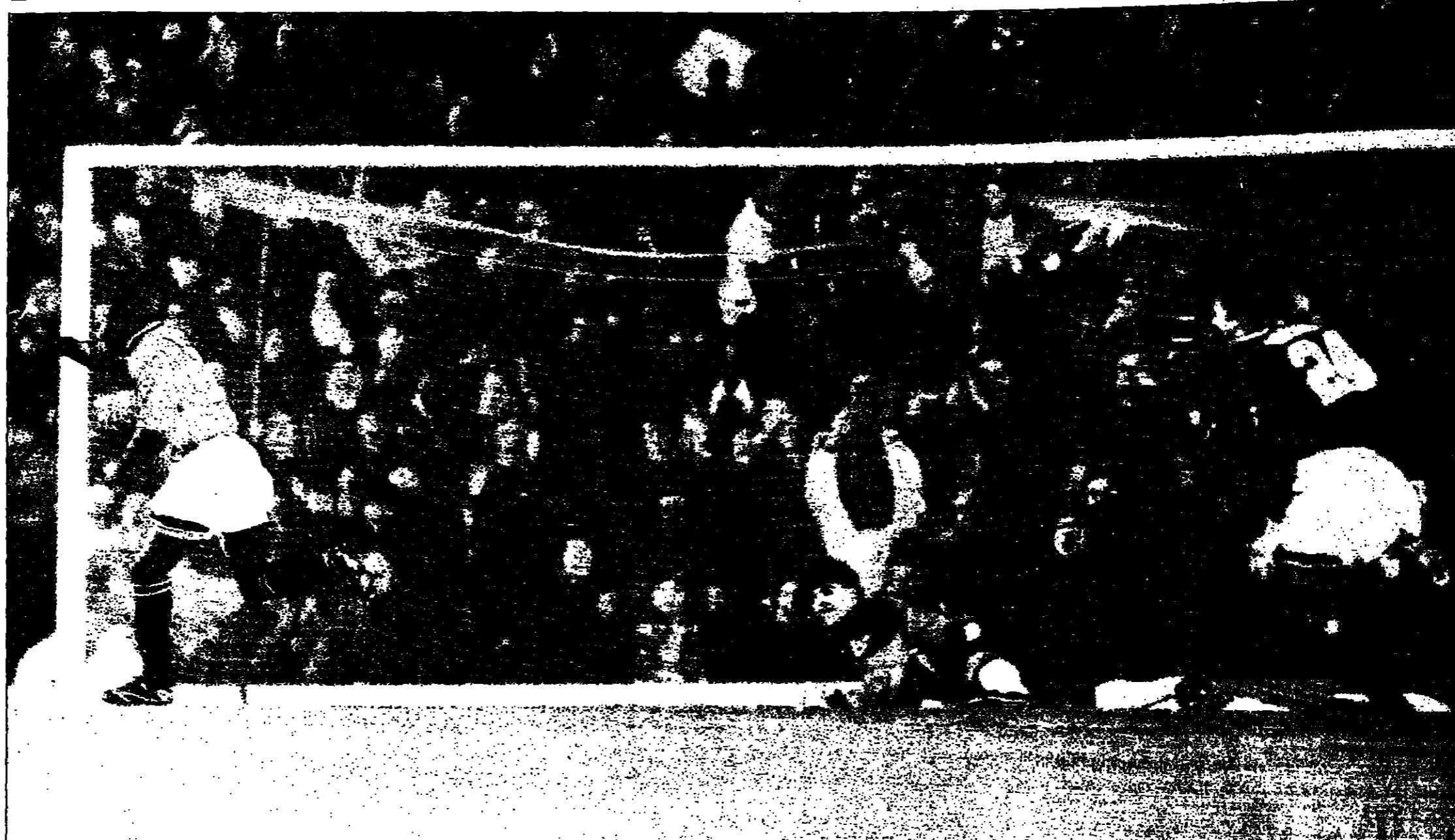
	P	W	D	L	F	A	PTS
Newcastle	20	15	3	2	40	18	45
Man Utd	20	10	5	5	38	22	38

top, but their lead is now a recoverable seven points, not the irretrievable 13, which beckoned yesterday evening.

The circumstances had hardly been ideal for United going into a match of such significance to the championship. They had just endured their worst League run in more than three years, and both their first-choice centre-backs, Steve Bruce and Gary Pallister, and Paul Parker were all ruled out. Alex Ferguson paired Gary Neville and David May in the heart of the defence, with Denis Irwin switching to right-back and Philip Neville operating on the left of the back four.

To increase the tension on a cold night of driving snow, there were contests within game. The French pair, Newcastle's David Ginola and United's Eric Cantona, were meeting in the Premiership for the first time, and Cole and Keith Gillespie, both appearing against their former teams for the first time since swapping clubs.

At least United had Ryan Giggs fit after a foot injury ruled him out of the defeat at Leeds on Sunday. United's fifth game in a row without a win, and the Welsh international demon-



Victory salute: Manchester United's Andy Cole (left) enjoys his moment of triumph after opening the scoring against his former team at Old Trafford last night

Photograph: Ben Radford/Alsport

strated his value after only six minutes.

He launched a swift counter-attack deep into the left of Newcastle's territory, and used a defence-splitting dummy run by Cantona, captain in Bruce's absence, to feed a perfect pass through to Cole on the right

edge of the penalty area. He simply drilled a first-time shot across Pavel Srnicek and inside the post.

That was just the incentive United needed to put intense pressure on a Newcastle defence that had John Beresford back at left-back in place of the

injured Belgian, Philippe Albert. It had needed a superb cover-tackle from Peacock to deny Keane after Cantona had played the Irishman in, and Keane then tested Srnicek twice more with shots from the edge of the Newcastle box.

Gillespie had little chance to level up his contest with Cole.

A fierce challenge by Philip Neville in the 14th minute resulted in the Northern Ireland international being carried off.

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A fierce challenge by Philip Neville in the 14th minute resulted in the Northern Ireland international being carried off.

Newcastle struggled early on to fulfil their intention to attack, but, with Steve Watson, on for Gillespie, a tarear on the right and Ginola more prominent, they began to hold their own. However, Peter Schmeichel, in the United goal, was not troubled until the 28th minute when Steve Howey set Les Ferdinand free. Cole's 55m replacement shot powerfully but the ball deflected off the inside of Schmeichel's leg and away for a corner.

Ferdinand could have lifted Newcastle in the 38th minute, but Gary Neville crowded him out, but the odds seemed to tip

Newcastle were in no mood to launch off a potentially costly error by the referee, Paul Alcock, who booked Warren Barton early on and then showed the yellow card to Beresford. Mistaking him for Barton, he followed it with a red, before realising and apologising to Beresford.

Ferdinand could have lifted Newcastle in the 38th minute, but Gary Neville crowded him out, but the odds seemed to tip

their way when May was carried off just before half-time. Brian McClair replaced him after the interval, with Keane dropping into defence.

United did not see it that way,

and eight minutes after the restart they went 2-0 up. Keane,

up for a corner, was only

half-cleared, arrived in space to

meet a diagonal pass by Philip Neville and drive in the second goal.

Keegan sent on Paul Kitson for the last 17 minutes in the hope of opening up a new line of attack, but his side still never looked likely to stave off their third Premiership defeat of the season.

Manchester United: Schmeichel, Ince, May, McAllister, H-0, G Neville, P Neville, Keane, Butt, Beckford, Giggs, Cole, Cantona, Substitutes not used: McRobert, Sosnowski, Keane, Howey, Beresford, Lee, Clark, Peacock, Beresford, Ferdinand, Gillespie (Ince), 15. Substitutes not used: Elliott, Goalkeeper: P Alcock (Rachid, Sunay).

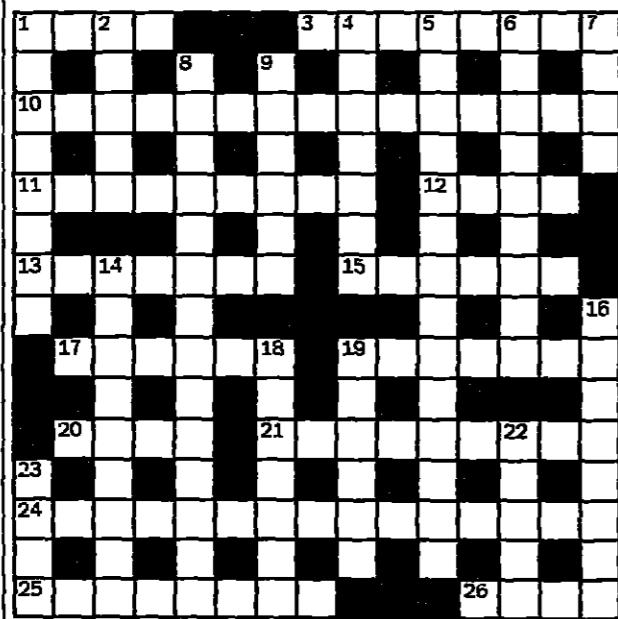
Referee: P Alcock (Rachid, Sunay).

THE INDEPENDENT CROSSWORD

No. 2668. Thursday 28 December

By Hollobone

Thursday's Solution



ACROSS

- 1 Go to pot (4)
- 3 In each place that Welsh hearts appear, there's a reversion to worship (8)
- 10 Clearing an overdraft easily? (6,2,7)
- 11 Combination of "it" and shyness is unfortunate (9)
- 12 "Very good!" – but not "Well done!" (4)
- 13 Article reviewed concert (7)
- 15 Jerk, child! Jerk! (6)
- 17 Cut hard work which involves strain (6)
- 19 Urge boss to become a member of Mensa? (7)
- 20 Where Major eats jam (4)
- 21 Lying last month turned out futile (9)

24 Rulers depict those figures which arise (3,6,4)

25 Make a "morning-after" check in San Francisco? (8)

26 Place a bet on the Sabbath and make a killing (4)

DOWN

1 It could be curtains for Sweden in record attempt (8)

2 Fibre made by man? Close (5)

4 Cerberus had this bit of audio equipment (7)

5 Aid for the Rover's Return? (9,5)

6 Chambers: one only used by half-hearted person! (9)

7 Tree-kangaroo emits a stink (4)

8 An hour in toolshed, then repositioned by the front door (2,3,9)

9 Salami cooked without the aid of a book written for the masses (6)

14 Permanent tax has inside support (9)

16 Grown-up's hanky-panky? (8)

18 Piece produced as doctor's called in to the ailing Monet? (7)

19 A tax cut? (6)

22 Beefy gangster's deadly (5)

23 Rest period (4)

STILL UNDECIDED...

For all their symbolic significance, the recent history of Premiership games between the top two suggests they will not be crucial in deciding the destiny of the championship.

1994/95
Blackburn _____ 2 Man Utd _____ 4
Man Utd _____ 3 Blackburn _____ 0
Blackburn won the tie by one point

1993/94
Man Utd _____ 1 Blackburn _____ 1
Blackburn _____ 2 Man Utd _____ 0
Manchester Utd won the tie by eight points

1992/93
Aston Villa _____ 1 Man Utd _____ 0
Man Utd _____ 1 Aston Villa _____ 0
Manchester Utd won the tie by 10 points

1991/92
Man Utd _____ 1 Leeds Utd _____ 1
Leeds Utd _____ 1 Man Utd _____ 1
Leeds won the tie by four points

Scottish football is facing a weekend "white-out", with the arctic weather conditions unlikely to loosen their grip on the country before then.

Only two Scottish League grounds – Ibrox and Tannadice, which both have undersoil heating – were able to stage matches on Boxing Day, and the situation on Saturday looks likely to be the same.

Rangers are due to entertain Hibernian in the only Premier Division match with any realistic chance of being staged, while Dundee United are scheduled to meet Airdrie in the First Division.

The match was a gloomy outlook

elsewhere. Gerry Collins, the Falkirk assistant manager, ruled out his club's Premier Division fixture against Motherwell. "There is no chance of playing the game unless there is a dramatic change in the weather,"

Collins said. "We have covers on the pitch and snow on top, but the ground is bone-hard."

At Tynecastle, where Hearts were hoping to entertain Celtic, the chairman, Chris Robinson, said: "The pitch is covered but it is hard, and there's no real chance of the game being on. We will confirm on Friday whether it can go ahead or not."

The match's postponement will be the Edinburgh club

going nearly six weeks without any gate receipts, with their last home game staged on 2 December. The next Tynecastle fixture is likely to be the rescheduled Motherwell fix-

ture on 10 January.

Robinson, whose club are reported to be struggling financially, added: "The fact of funds will be a big strain and we stand to lose up to £30,000 if Saturday's game is postponed. But we have to manage our finances and get on with it."

If the match is postponed it will give Celtic selection problems for the "Old Firm" game against Rangers on 3 January.

John Hughes and Peter Grant

will both miss the Parkhead encounter: each player has one more game to sit out as part of their three-match suspensions.

Kilmarnock are hoping the use of hot air covers can clear Rugby Park for Saturday's visit of Aberdeen.

A Scottish Football League spokesman, Hamish Walker, said: "There were few expectations that the cold snap will force a major fixture backlog. Walker said: "We have already rescheduled games for January 9, 10, 16 and 17 and while the match is postponed it will give Celtic selection problems for the "Old Firm" game against Rangers on 3 January.

John Hughes and Peter Grant will be the Edinburgh club

Gallian is game middle man

Cricket

Jason Gallian responded with another dead bat when asked whether England have got the measure of the unorthodox South Africa spinner, Paul Adams. The answer may well decide whether England – 40 for 1 against South Africa's 48 all out – avoid defeat in the fourth Test in Port Elizabeth, but Gallian was not prepared to put his neck on the block.

"We will find out tomorrow,"

said the Lancashire batsman who, with the England captain, Mike Atherton, managed to keep Adams at bay for seven overs on the second evening.

Gallian showed mounting confidence as he tackled the 18-year-old debutant, clipping him for two boundaries having earlier settled for watchful defence.

"I was a bit nervous when I walked out to bat, but playing Test cricket is a big challenge and I enjoyed it," said Gallian, who only arrived in South

Africa last week to replace John Crawley.

"We've certainly got a hard fight ahead of us," added Gallian. "But it is a good batting pitch and if we can get a stack of runs we can get back to them."

When England bowl again they will be without Mark Nott. The left-arm paceman limped off in mid-afternoon. "He has strained a muscle in the middle of his left thigh," John Barclay, the assistant manager, said. "Like all injuries it will be easier to tell how bad it is after 24 hours. But there is obviously a doubt about his participation in the second innings."

South Africa's Dave Richardson praised Adams' endeavour.

"We might have relied a bit too much on Paul for a breakthrough at the end. The ball was probably too hard and shiny for him to grip properly, which made it skid through... it's an interesting prospect and a great challenge wicketkeeping to him."

Meanwhile, England's one-day specialists, Neil Fairbrother, Dermot Reeve and Neil Smith, have arrived in South Africa and will be joined on Saturday by Craig White and Philip DeFreitas. The seven-match one-day series between the two

countries begins in Cape Town on 9 January. England's chances of winning the current Test are now put at 53-1 with the draw the favourite at 2-5 and South Africa at 7-4. The series stands at 0-0.

Report, scoreboard, page 22

SOME INSURANCE QUOTES ARE SO HIGH, YOU'D THINK THEY DIDN'T WANT YOUR BUSINESS. (THEY DON'T.)

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REPORT